The NATIONAL UNDERWRITER
Life Insurance Edition

FRIDAY, JUNE 21, 1957

THE NATIONAL UNDERWRITER, Life Insurance Edition. Published weekly by the National Underwriter Company, Office of Publication, 175 W. Jackson Blvd., Chicago, Ill., U. S. A. 61st year, No. 25, Friday, June 21, 1957. $7.50 per year (3 years $20); Canada $8.50 per year (3 years, $23); Foreign, $9 per year (3 years, $24.50. 30 cents per copy. Entered as second class matter June 9, 1900, at the post office at Chicago, Ill., under the Act of March 3, 1879.

The NATIONAL UNDERWRITER

61st Year, No. 25
June 21, 1957

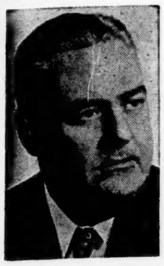
The National Weekly Newspaper of Life Insurance

International A&H Assn. Annual Draws 350 Agents to St. Paul

Bennett of Provident L.&A. Elected President; Succeeds Coffey of Mutual of Omaha

By WILLIAM B. BORGEL
Editor, Accident & Sickness Review

"We sure are busy today," gasped a harassed bellboy at the Lowry hotel



C. E. McDonald

Earle R. Bennett

in St. Paul as he almost ran in the completion of his appointed task. The day was June 12, when many of the overall registration of nearly 350 people converged upon the hotel for the annual four-day convention of International Assn. of A&H Underwriters, at which new goals were set for its services and its growth, and new steps were taken to pave the way for them. These steps include increased dues, a plan for continuous membership effort, furtherance of the association's educational work and increased public relations activities.

New president of the association is Earle R. Bennett, general agent of Provident L.&A., Tampa, who for some years has been a foremost figure in Florida association affairs and who for the past two years has been vice-president. He succeeds E. J. Coffey, Mutual Benefit H.&A., Portland, Ore., who is now chairman, succeeding Clifford E. McDonald, International Fidelity, Dallas.

Two new vice-presidents were elected: Gail L. Shoup, Lincoln National Life, Grand Rapids, Mich., and Oakley Baskin, Mutual Benefit H.&A., Buffalo, a prime mover in developing the Leading Producers Round Table. Jay De Young, DeYoung & Associates, Oak Park, Ill., was reelected controller.

In accepting the presidency, Mr. Bennett said: "I believe that there should always be an accident and health association separate in its entirety from any other association."

He set up these nine objectives: Strong emphasis on membership and its conservation; strong group and claim committees with special seminars on these subjects at the next convention or regionally; changes in the educational program developing an advanced correspondence course similar to those offered by some companies; a stepped-up legislative program; revision and improvement of the speakers' bureau; provide periodic informational service to sustaining and associate company members; intensify public relations, promote the Leading Producers Round Table; revise by-laws to provide each year for a president-elect for continuity of leadership.

Elected to the board for three years were: William E. Reinsh, Massachusetts Bonding, Omaha; John Forrest, Mutual Benefit H.&A., Akron; John G. Galloway, Provident L.&A., Birmingham; Paul M. Klein, Mid-America agency, Kansas City, Mo.; Glen Brooks, Southland Life, and F. Kenneth Stoakes, Loyalty group, Los Angeles. Elected for two years was Paul Raines, Hoosier Casualty, Des Moines, and for one year, Herman Hoskins, Educators Mutual Life, Charleston, W. Va. Retiring board members are Howard E. Nevonen, Washington National, Los Angeles, and Emerson Davis, Inter-Ocean, Dallas.

The delegates, by majority vote, increased annual dues from \$5 to \$8, effective Sept. 1. The \$8 will then be the International's share of the full amount of annual dues. Discussion that preceded the vote was highlighted

(CONTINUED ON PAGE 30)

Law Should Cover Only Cents-per-Hour Employe Welfare Funds: NALU

Federal legislation to eliminate abuses in employe welfare and pension plans should require registration, reporting and disclosure only by funds set up on a cents-per-hour or similar basis, according to a statement filed by National Assn. of Life Underwriters with the Senate subcommittee on welfare and pension fund legislation.

The statement, signed by Harry N. Phillips of Sun Life of Canada, trustee of NALU and chairman of its group committee, and Carlyle M. Dunaway, general counsel, noted that NALU already has endorsed the bill sponsored by National Assn. of Insurance Commissioners which would require insured and uninsured employe welfare funds set up on a cents-per-hour or similar basis to register with and make annual reports to state insurance departments. The bill would provide for full disclosure of the funds' financial operations and subject them to periodic state examinations.

• • •

However, any federal or state legislation should be aimed solely at the type of plans which have been productive of the abuses uncovered during the 2-year study by the Senate subcommittee or which may be potentially productive of such abuses, the statement asserted.

As far as NALU is aware, the subcommittee found no skullduggery going on in cases where employers undertook to provide specific benefits for employes under the level-of-benefits type of plan. The same temptation and opportunity for wrongdoing are not present in level-of-benefits plans because the employer wants to provide the benefits at as low a cost as possible and does not want to squander the company's money.

NALU took exception to some sections of the four Senate bills under study by the subcommittee, but pointed

(CONTINUED ON PAGE 33)

Most MDRT Insignia Violations Due to Not Studying Rules

The insignia committee of the Million Dollar Round Table has to deal with quite a few violations of the strict rules by which the organization curbs the promiscuous use of the MDRT emblem or wording indicating membership, but nearly all of them occur simply because the member does not read and consider the important rules which are published as a part of the constitution and by-laws distributed to all members.

Carl P. Spahn

This is the conclusion of the committee, in the light of its experience with violations, according to Carl P. Spahn, Equitable Life of Iowa, Chicago, chairman of the insignia committee.

The proper use of the MDRT die or words indicating membership, Mr. Spahn points out, is covered under rule 3(b), which states: "The die may be used only on regular business cards, business stationery other than envelopes, announcements issued by a life insurance company for mailings to a member's clients and friends, and in company publications in connection with publicity given its MDRT members."

"Perhaps one comment should be made to clarify the rules," Mr. Spahn added. "Wherever the use of the die is prohibited, the same rule prohibits the use of the wording to designate membership. The use of the designation in any other way, other than provided by rule 3(b), is considered indiscriminate and a violation of the insignia rules, and any member refusing to abide by these rules is subject to revocation of his membership in the MDRT as provided by articles IV and VI of the by-laws."

Mr. Spahn said that perhaps the most frequent violation of the insignia rules results from the use of a die that does not contain the year of qualification or the word "life"; or from the

(CONTINUED ON PAGE 36)

Life Insurance Problems Aired but Not Solved by NAIC

Mortality Table, Non-Can Definition and Other Issues To Be Acted on in December

By JOHN C. BURRIDGE

National Assn. of Insurance Commissioners at its annual meeting last week in Atlantic City conducted some lively sessions on life and accident and sickness insurance, but the net results were far from significant. All the issues of consequence were given their airings and then bundled up to be unwrapped six months hence at the New York meeting for further reports or action.

Attendance at Atlantic City was considerably below that at Miami Beach, it being known in advance that not a great deal would be happening. The only real controversy concerned the definition of non-can A&S insurance, (solution to be arrived at in December), and this obviously is a matter of strictly limited interest.

The election of officers was a routine affair, producing no surprises and a minimum of excitement. There was no contest for the bottom step of the ladder, the position of the chairman of the executive committee, it being more or less understood that Paul Hammel of Nevada was to take over and be succeeded as secretary-treasurer by J. Edwin Larson of Florida. Joseph A. Navarre of Michigan moved up from vice-president to president of NAIC, succeeding Robert B. Taylor of Oregon. Arch Northington of Tennessee, who went in as executive committee chairman upon the resignation six months ago of J. Byron Saunders of Texas, moved up to vice-president.

Hugh Tollack was reelected assistant secretary.

Members at large of the executive committee are Hayes of Louisiana, Hunt of Oklahoma and Howell of New Jersey. The zone representatives on

(CONTINUED ON PAGE 35)

Late News Bulletins . . .

Communications Workers Ponder Group Plan

KANSAS CITY—Communications Workers of America was scheduled to vote at its meeting this week on whether to be included in American Telephone & Telegraph's comprehensive group insurance plan or set up an independent plan with somewhat less liberal benefits and lower costs than the contributions that would be called for under the AT&T Plan. Several big group companies are reported to be interested in underwriting the union case, one of them being New York Life.

FTC Examiner Raps N. Y. A&S Regulation

WASHINGTON—The New York department was criticized by Federal Trade Commission examiner Laughlin for failing to regulate A&S advertising of Commercial Travelers Mutual Accident Association of Utica, which sells A&S by mail countrywide, though licensed only in New York. Mr. Laughlin, in ordering the association to stop making what he termed false claims for its advertising, said because of New York's failure to regulate the company's advertising the FTC "must step into this void." Mr. Laughlin has been taking the

(CONTINUED ON PAGE 2)

Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

position that FTC lacks jurisdiction where the states are actually exercising control over A&S.

Mr. Laughlin said he found that Utica Commercial Travelers had "falsely advertised" its policy benefits in "major New York newspapers and magazines" despite the fact that for nearly 10 years the New York department has had the power to approve advertising before its use. "Apparently nothing has been done to date," Mr. Laughlin commented. Like all FTC orders by examiners, this one is not final until acted upon by the commission itself.

"If the state of New York, with its vast resources and its immense insurance department cannot and does not regulate the unfair or deceptive acts of insurers who owe their very corporate life to it, it can scarcely be expected that the lesser states can accomplish anything by similar acts and powers," Mr. Laughlin continued. The gist of his order was that the advertising played up benefits and coverage and said too little about exceptions and limitations.

Layman Security-Conn President

Lester C. Layman, who has been executive vice-president of Security and Connecticut Indemnity, has been elected president of those two companies and of Security-Connecticut Life, another member of the group. He succeeds G. Albert Lawton, who has resigned.

Bernard J. Daenzer, who has been vice-president of Security and Connecticut Indemnity, was elected executive vice-president of those two insurers.

Blue Cross in Red for '57 in Michigan

William S. McNary, executive vice-president of Michigan Hospital Service (Blue Cross) and Jay S. Ketchum, executive vice-president of Michigan Medical Service (Blue Shield) have revealed that the two plans are running in the red for the first quarter of 1957. The disclosure is regarded as preliminary to a request for increased rates.

Although both plans provided services for more members than ever before, Mr. McNary said that the Blue Cross deficit for the quarter was $563,000, or approximately 2% under income. Mr. Ketchum reported a first quarter deficit of $713,000 for Blue Shield, 6.4% below income.

Combined payments to hospitals and doctors were in excess of $38 million for the quarter, a record for any three-month period and 6.4% above the same quarter for 1956.

Organization of New Tex. Insurance Board Is Completed

AUSTIN—The new Texas board of insurance became official last week along with announcement of its three appointed members, but questions relating to its legal status and powers are holding up various actions pending rulings of the attorney general.

The appointees are District Judge Penn J. Jackson of Cleburne, who will be chairman; Joe P. Gibbs of Seguin, a holdover from the former commission, and David B. Irons of Fort Worth, now first assistant in the criminal division of the Department of Justice in Washington. They are due to take office July 1.

In the meantime, Chairman John Osorio and Commissioner Mark Wentz of the now non-existent commission, who have resigned, remain with the department. The new act, which became effective when signed June 12, not only limits powers of the board but specifies that actions on an administrative level must be made by a new executive commissioner, who is to be selected by the board.

Complex legal questions on powers, duties and rights arising out of the tangled situation are now before Will Wilson, attorney general, for study and opinion. At the moment major interest is centering in what will be done about picking an executive commissioner, whose $20,000 annual salary is provided in the appropriation bill which will become effective Sept. 1.

Feltus Succeeds Strong as Hancock GA at Chicago

Austin H. Feltus, who has been serving as superintendent of agencies for

A. H. Feltus

S. M. Strong

John Hancock since 1954, has been appointed general agent at Chicago, succeeding Sherman M. Strong who begins his retirement June 30 after 42 years of service with Hancock.

Mr. Feltus joined John Hancock in 1929 at St. Paul. Later he transferred to Buffalo, N. Y., where his experience covered every phase of agency work. He was transferred to the home office in 1954 to serve as superintendent of agencies in the general agency department.

Mr. Strong, who will continue with the agency as general agent emeritus, joined the company in 1915 under his father, Joseph H. Strong, then general agent. He served successfully as clerk, agent, agency supervisor, associate general agent and co-general agent before being appointed general agent.

A CLU since 1933, Mr. Feltus held every office in the Buffalo CLU chapter. He also has served as a director of Buffalo Life Underwriters Assn.

Northwestern Mutual Reduces Annuity Rates

Because of increased interest rates, Northwestern Mutual is reducing its single premiums on immediate annuities, effective for remittances received on or after July 1.

N. Y. Bill to Limit Tax Deduction on Sick Pay to $100 a Week

New York state legislature, at a 4-day special session, passed a bill to limit to $100 a week the amount of sickness pay deductible from income for state personal income tax purposes.

Gov. Harriman, who vetoed a similar bill last year, was expected to sign this one. Shortly before the legislature concluded its regular session earlier this year, it killed a bill that would have set a $50 a week limit.

Under the new legislation, the limitation will apply only to returns filed next year and thereafter and not to deductions made this year or pending claims for refunds.

The bill followed a state tax commission ruling that disability benefits paid employes while off the job due to injuries or sickness covered by either insured or uninsured A&S plans are excludable from reportable gross income for state personal income tax purposes. This applies to sick pay received by employes under bona fide written plans of employers. Any other plan will qualify if it imposes a legally enforceable obligation to pay employes while absent from work, if it establishes the amount, duration and conditions for payment, if it covers all or a specified class of employes, and if it is known to the employe when hired or before illness or injury occurs.

However, the commission held that disability payments are not exempt if their size and duration are discretionary with the employer or if they are made voluntarily without any obligation that could be enforced by the employe. Corporate wage continuation plans for executives were ruled out on grounds that they are discretionary and not definite enough to constitute a disability plan.

A maximum of $100 a week in sickness disability pay is tax free under a federal law which became effective in 1954. Federal income tax must be paid on any excess.

Kentucky Life Agents Elect Clegg at Annual

Frank E. Clegg of Lexington was elected president of Kentucky Life Underwriters Assn. at their annual convention in Louisville. He succeeds Col. George M. Chescheir of Louisville.

John H. Ward III, Aetna Life, Louisville, was named secretary-treasurer, and Lacy E. Frantz, Union Central Life, Louisville, was elected national committeeman.

A. Jack Nussbaum, president of National Assn. of Life Underwriters, spoke at the dinner meeting and reiterated his often-made prediction that life insurance would be the world's first trillion dollar business in the next 10 or 12 years. His reasoning on this was based upon the nation's economic growth, the trend toward larger families, tax advantages enjoyed by corporations in insuring key personnel, savings made through life insurance as an inflation preventative and split-dollar benefits.

Landmark in Wrong City

Many readers who may wonder why they have missed seeing that famous Indianapolis landmark, the Lincoln National Life tower, mentioned last week, are victims of an unpardonable geographic error on our part. As we and everyone else know, that landmark and the Lincoln National home office are prominently situated in Fort Wayne—about 100 miles from the reported site.

672 on Fifth and Final List of MDRT Qualifiers

The fifth and final list of qualifiers for the 1957 Million Dollar Round Table includes 672 members, of whom 160 are life and qualifying, repeating; 125 are life members; 29 are life and qualifying, first time; 109 qualifying and repeating, and 249 qualifying for the first time.

The total number of qualifiers for the 1957 Round Table, 2,438, was announced two weeks ago by MDRT Chairman Howard D. Goldman of Richmond, general agent for Northwestern Mutual for Virginia. The 2,438 total is 21% ahead of last year's record of 2,013 and more than 56% above the 1955 figure of 1,557.

Following is the final list of 672 qualifiers, divided into the five MDRT categories:

Life and Qualifying, Repeating

Samuel A. Aaron, Equitable Society, Los Angeles; Cecil Alexander, Equitable Society, Chicago; Lawrence E. Andersen, Equitable Society, Pasadena; Barnes C. Anderson Jr., Northwestern Mutual, Philadelphia; Raymond B. Anthony, Equitable Society, Chicago; Samuel M. Barg, New England Life, New York; Harold L. Barnett, Northwestern Mutual, New York; G. Nolan Bearden, New England Life, Beverly Hills; Walter R. Benz, Penn Mutual, Ft. Wayne; W. A. Bethune, Jefferson Standard, Charlotte, N. C.; Charles R. Bigbie Jr., Massachusetts Mutual, Tulsa; James C. Bradford, New York Life, Battle Creek, Neb.; Robert C. Bradley, New York Life, Columbus; Reed W. Brinton, New York Life, Salt Lake City; Edwin R. Brock, Penn Mutual, Des Moines; John W. Brown, Mutual Benefit Life, Louisville; Kenneth G. Brown, Canada Life, Hamilton, Ont.; T. James Brownlee, Equitable Society, St. Louis; Robert P. Burroughs, National Life of Vermont, Manchester, N. H.; Charles P. Carey, Northwestern Mutual, Los Angeles; Earl V. Carlin, independent, Columbus, O.; William G. Chatham, Business Men's Assurance, Sacramento; Charles Clementson, Massachusetts Mutual, Orlando; William T. Cline, Continental Assurance, Chicago; Herbert F. Cluthe, State Mutual, Newark.

Daniel H. Coakley, New York Life, Boston; Raymond H. Collins, Benefit Assn. Ry. Employes, Milwaukee; James T. Comer, Jefferson Standard, Gastonia, N. C.; Charles A. Cummins, Equitable Society, Chicago; J. Welldon Currie, New England Life, Miami; Robert E. Curtis Jr., Provident Life & Accident, Boston; William G. Doherty, New York Life, Boston; Ray W. Druckenmiller, Provident Mutual, Allentown, Pa.; Herman Duval, Northwestern Mutual, New York; Paul Dye Jr., Connecticut Mutual, Indianapolis; Herman C. Edwards, Equitable Society, Chicago; Ben Feldman, New York Life, East Liverpool, O.; Israel C. Feldman, Equitable Society, Philadelphia; Edward Felsenthal, New England Life, Memphis; Samuel W. Fields, Equitable Society, Philadelphia; Morton H. Franklin, New York Life, Cleveland; Robert C. Fyke, Occidental of California, Los Angeles; William H. Gaither, independent, Charlotte, N. C.; Joshua B. Glasser, Continental Assurance, Chicago; Jeremiah F. Goffredo, Northwestern Mutual, Philadelphia; Meyer M. Goldstein, independent, New York; Norman N. Gortz, Union Central, New York; Ira A. Hagenbuch, New England Life, Los Angeles; James M. Hamill, Equitable Society, San Francisco; James G. Harding, Northwestern Mutual, Portland, Ore.

Robert W. Harper, Minnesota Mutual, Denver; W. Alfred Hayes, independent, St. Louis; Paul A. Hazard Jr., New England Life, Chicago; Samuel Heifetz, Mutual of New York, Chicago; Sam S. Herwitz, Mutual of New York, Cincinnati; C. Von Hickman, Northwestern Mutual, Eugene Ore.; John A. Hill, Aetna Life, Toledo; Samuel Hirschmann, Sun Life of Canada, Johannesburg, South Africa; Dan S. Holefca, independent, Detroit; Robert C. Holland, New York Life, New York; Oscar Hurt Jr., State Mutual, Memphis; Robert W. Ingram, Massachusetts Mutual, Atlanta; Frederick M. Irwin, London Life, Toronto; Owen P. Jacobsen, New England Life, New York; William B. Jadden, New England Life, Los Angeles; William B. Johnson, American National, Springfield, Mo.; Charles G. Keehner, Massachusetts Mutual, Oakland; I. Austin Kelly III, New England Life, New York; J. Beryl Kemp, John Hancock, Chattanooga; Russel E. Kennedy, Pan-American of Mexico, Mexico City, D. F.; Don C. Kent, Equitable Society, Detroit; Hampson M. Keyser, New York Life, Arlington, Va.; Howell A. King, Occidental of California, Towson, Md.; Henry H. Kingston, Penn Mutual, Rochester, N. Y.; Jack C. Krause, Penn Mutual, Lansing.

John J. Langan, New England Life, New York; Joseph N. Latiano, Mutual of New York, Ellwood City, Pa.; Donald F. Lau, Massachusetts Mutual, Detroit; Charles E. Laurent, Manufacturers Life, Toronto; Elmer G. Leterman, Union Central, New York; William V. Lurie, New York Life, Brooklyn; Charles S. McAllister, independent, New York; J. H. McCaffrey, Southwestern Life, Dallas; W. H. McCoy, New England Life, Detroit; Jack A. McKnight, Home Life of New York, Grand Rapids; Willis F. McMartin, Northwestern Mutual, New York; Kenneth R. Mackenzie, New England Life, Boston; Clyde J. Manion, Equitable Society, Detroit; Marcus D. Mason, independent, New York; Raymond T. Maurey, Mutual of New York, Bradford, Pa.; Horace H. Mickley, Northwestern Mutual, Los Angeles; Frank M. Minninger, Connecticut General, Detroit; Patrick M. Mucci, Metropolitan Life, Paterson, N. J.; John Mulock, Mutual Benefit Life, Clearwater, Fla.; Edward G. Mura, New England Life, Kansas City; Howard Neal, Security Benefit, Los Angeles; Robert C. Newman, New England Life, St. Louis; Harold Nittskoff, New York Life, Cleveland; Ambrose J. O'Callaghan, Equitable Society, Chicago; Joseph F. O'Connor, Penn Mutual, Los Angeles.

Edward W. O'Shaughnessy, Equitable Society, Chicago; Harold S. Parsons, Travelers, Los Angeles; Charles L. Patrone, Bankers National, Hyde Park, Mass.; Charles C. Peck, Canada Life, Toronto; Richard R. Pharr, New York Life, Rancho Santa Fe, Cal.; D. Miley Phipps, New England Life, Cleveland; Robert B. Pitcher, John Hancock, Boston; Richard G. Poindexter, Northwestern Mutual, St. Louis; Milton R. Polland, Security Mutual of Binghamton, N. Y., Milwaukee; H. Frank Poole, New York Life, Kansas City; James P. Poole, Guardian Life, Atlanta; R. Joyce Portnoy, Crown Life, St. Louis; C. Lamont Post, independent, New York; J. H. Prentiss Jr., New England Life, Chicago; Harry D. Prew, Aetna

(CONTINUED ON PAGE 24)

Definition of Non-can A&S Is Debated at Length Before NAIC

The item on which the most time and attention was spent at the annual meeting of the National Assn. of Insurance Commissioners last week at Atlantic City was whether a definition should be adopted for non-cancellable A&S insurance. After the subcommittee looking into this matter brought forth a report favoring the view of the traditional companies in this field, protests were raised in the full A&H committee meeting by a battery of association and company men, and the final decision was to table the whole matter and put the subcommittee back to work to produce a new report in December.

• • •

More than just a question of whose policy shall be called non-can and whose not is involved in the definition question. There are problems of presenting guaranteed renewable but adjustable premium coverages in the annual statement and setting up reserves on them, and more significant, the issue of federal taxes. The most recent action on the tax side occurred while the NAIC was in session, this being a ruling of the internal revenue service denying the life insurance type of income tax treatment on non-can A&S reserves unless there is a specified guaranteed rate up to age 60 or later. Bruce Shepherd of Life Insurance Assn. indicated this was a key point so far as those who do not want a strict definition are concerned. He said action by NAIC in adopting a strict definition would have an adverse effect on the companies in dealing with IRS. He was in favor of a deferment of the matter.

• • •

The traditional non-can writers such as Massachusetts Protective, Massachusetts Indemnity, Monarch Life, etc., were the ones holding out for the so-called strict definition. Their arguments prevailed on the subcommittee studying this matter, and a report was made favoring a definition which holds a non-can and guaranteed renewable policy to be one in which "the insured currently has the right to continue in force by the timely payment of specified premiums (1) until at least age 60, or (2) in the case of a policy issued after age 54, for at least five years from its date of issue, during which period the insurer has no right to initiate any change by a decision made subsequent to the issuance of the policy."

When this definition was presented at the meeting of the A&H committee, not unduly brief arguments against it were made by five industry representatives, and they were seconded by 10 more.

Robert R. Neal, general manager of Health Insurance Assn., explained that the majority sentiment of HIA is in favor of a broader definition. A special subcommittee of HIA was set up to cope with the problem and it offered a majority and minority report to its legislative committee, and the majority report was then adopted and represents the HIA position.

A. C. Steere, 2nd vice-president and general counsel of Lincoln National Life, who was chairman of the HIA subcommittee, related in fireside fashion the struggle of the subcommittee to arrive at an agreed solution. Mr. Steere said he was the one mem-

(CONTINUED ON PAGE 34)

Denies Ohio Governor Delayed Insurer Case Due to Vested Interests

A charge that Gov. C. William O'Neill of Ohio delayed the case of an insurance company because of "conflict of interests" while he was attorney-general was repudiated as being "totally untrue" by a special counsel handling the case.

The accusation was made by William L. Coleman, state Democratic chairman, who said it had been the governor's duty to prosecute a case for the Ohio department against Equitable Society but had delayed the case for seven years. Equitable's mortgage loan practices had been declared illegal by the then attorney-general O'Neill's predecessor in 1950. The private interests charged by Mr. Coleman was a family-owned Equitable agency in Marietta.

Paul R. Gingher, appointed by Gov. O'Neill, a Republican, to the attorney-general to conduct the case, said Mr. Coleman's statement "has no foundation in fact." He said the case has been tried and the court is awaiting further briefs before making a decision, adding "that Gov. O'Neill delayed the case while attorney-general is further refuted by the active interest of his appointee, Superintendent of Insurance Arthur I. Vorys, who urged early this year that the matter be disposed of and cooperated fully to that end."

Colonial Life has been cited by Garden Club of New Jersey for the attractive landscaping and the rose garden at its home office in East Orange.

M. W. Douglas Heads Kansas City Life President's Club

M. Wesley Douglas, Phoenix, was installed as president of the President's Club of Kansas City Life at the group's annual meeting at Banff, Alberta, Canada. Other officers installed include Vice-presidents K. E. Anderson, Sterling, Colo.; Louis Matusoff, Dayton, O.; M. J. Long, Long Beach, Cal. and Ben Epstein, Houston.

Other features of the four day meeting included addresses by President W. E. Bixby of Kansas City Life, Dix Teachenor Sr., retiring president of the club, Harland W. Farrar, director of sales and training, and Vice-president D. R. Alderman and business conferences for club members with C. W. Arnold, vice-president and superintendent of agencies.

One day of the meeting was devoted to a series of discussions on business insurance, estate taxes, wills and trusts, good package selling, programming and estate planning, and prospecting and planning. Topic leaders included Ray Lowry, John A. Utz and Messrs. Long, Matusoff, Epstein, and Anderson.

More than 200 agents qualified for the club in 1956.

National Life of Vt. Holds Regional Meeting

A business seminar highlighted a 5-day regional meeting held by National Life of Vermont Leaders Club at Hershey, Pa. The seminar, covering three days, was conducted by David F. Hoxie, associate counsel, K. J. Keve, assistant superintendent of agencies, and Frederick G. Mehlman, attorney.

Ward Phelps, superintendent of agencies, was chairman of the opening session which featured talks by W. James Reble, assistant actuary, Edward J. Dierauf, New York City, and Walter B. Brynn, assistant superintendent of agencies.

Henry D. Geigerman Jr., Atlanta, Lewis J. Maurer, Harrisburg, Miss Ellen M. Putnam, Rochester, N.Y., and Elwood M. West, Cleveland, participated in a panel on opening and closing cases. Mr. Phelps was moderator. The first day's session closed with a social hour sponsored by general agents and a fellowship dinner. Donald C. Blackwood, general agent at Pittsburgh, was the main speaker at the dinner.

Other regional meetings are scheduled for Dixville Notch, N.H., Aug. 25-29; Chicago, Sept. 10-14, and Palo Alto, Cal., Sept. 15-19.

Oregon Life Managers Elect Horn as President

Oregon Life Managers Assn. has elected H. G. Horn, Business Men's Assurance, Portland, as president. Other new officers include Jack Boone, Prudential, vice-president; Robert Rau, Standard of Oregon, secretary-treasurer. Directors are Wayne Templeton, Penn Mutual Life; Bill Merrifield, Connecticut Mutual, and George Johnson, Acacia Mutual. All are from Portland area. Installation of the new officers was held June 4 at Riverside golf club.

Equitable Society Ad Wins

Equitable Society has been awarded first prize in the 1956 advertising awards competition conducted by American Music Conference. AMC sponsors the annual advertising awards for the effective use of musical themes in advertising of non-musical products and services. Equitable's winning ad pictured a young man playing a trombone with a baby by his side. The copy of the ad was headlined "How to take the blues out of tomorrow."

Pacific Actuaries Ponder Pro and Con of X-17; Also 'Dangers' of Group Major Medical

The question of whether the new mortality table X-17 should be adopted as a basis for reserves and nonforfeiture values evoked considerable pro and con discussion at the spirited spring meeting of Actuarial Club of Pacific States which drew approximately 60 members and guests to Pebble Beach, Cal. It also was developed during the meeting that group major medical has some "inherent dangers."

• • •

The meeting was presided over by Ralph H. Niles, Standard of Oregon, president of the club, and high points of the meeting were reported for THE NATIONAL UNDERWRITER by Ben J. Helphand, Pacific Mutual Life, secretary of the club.

A. L. Buckman, Beneficial Standard Life, presented the following arguments in favor of adopting the new X-17 table:

The CSO table is just as outmoded today as the American experience table was in the late 1930s. The industry may soon be subjected to criticism for using an outmoded table, as it was in the 1930s for using the American experience table.

Deficiency reserves make it difficult for small companies to compete with larger companies. On the other hand the deficiency reserves requirement is artificial and not a criterion in measuring a company's solvency. As a rate regulating measure it does not perform that function in a consistent manner. A company can be unsound in its premium structure by providing cash values which are unrealistically high and yet not be affected by the deficiency reserves requirement.

Under current laws requiring deficiency reserves, the mortality table used by companies should be optional. Table X-17 will give only relief temporarily from these deficiency reserve requirements, as it has too high a loading at older ages compared with current mortality.

Model company calculations demonstrate that there is very little difference in the aggregate reserve on table X-17 as compared with reserves on the CSO and American experience tables. Accordingly, the mortality tables used for premium purposes and reserve requirements should be divorced. The mortality table used in determining whether premiums are deficient should be a mortality table brought up-to-date at least every five years. On the other hand, the reserves table can continue to be used over a long period of time, as the aggregate reserve of an average company is only slightly affected by a change.

A. C. Olshen, West Coast Life, presented the following arguments against adoption of the table:

The new mortality table has been proposed as a solution to the deficiency reserve problem of the small companies. Developments have shown that small companies as a class are not seeking that relief but, contrarywise, some might find themselves in a serious position if the floor were removed below the rate structure provided through the deficiency reserve requirement. The so-called larger nonpar companies who have claimed that they have adequate surplus to more than provide for the additional reserves necessary as a result of the deficiency reserve statute are not issuing all their life plans at rates below CSO net. Instead, some of these companies have issued so-called target plans at rates requiring deficiency reserves and in some instances, the amount of these reserve requirements have been sizeable.

It has been contended by some that you can not legislate solvency. Some of us differ with that concept. But, irrespective, it seems to us that it would be a mistake to remove the floor under the rate structure, especially as regards the smaller companies. When a larger company chooses to issue a special low-cost policy which requires deficiency reserves, it may find a certain small proportion of its total business on that plan, also being in a position to control that proportion. However, unfortunately, it has been found that when a smaller company—possibly ill advised or possibly without adequate advice—chooses to issue a "loss leader" it sometimes is faced with a majority of its business within a short time being written on that plan or plans. This in itself can jeopardize the future solvency of that company. It is hard to see that there is any margin for some of these small companies on some of these plans.

I also feel that there could be a statutory modification of the deficiency reserve provision permitting companies to charge gross premiums below the CSO net, if they desired, without establishing deficiency reserves provided they could justify such a deviation. They would be absolved of the deficiency reserve for only that portion of the deviation below the CSO net which they could support.

In other words, I would propose that the current statutory deficiency reserve requirement on a net basis be maintained, but that companies be allowed to charge a lower gross than the CSO net if they could support that deviation before the insurance department.

Dangers of Major Medical

Dangers inherent in group major medical coverage were brought out in a discussion of this subject. It was pointed out that extremely liberal benefits now being offered are the outgrowth of competition between companies. There is evidence that employers are going to be faced with trouble and forced to pay considerably higher premiums or reduce benefits.

It was pointed out that under some instances the 75% or 80% payment of expenses merely constitutes an invitation to abuse. The most notable condition is the coverage of psychiatric treatment when not hospital confined. Claim experience has clearly demonstrated that this coverage cannot be insured on a conventional basis and any payment for individual psychiatric treatment outside of a hospital must be severely limited.

The coinsurance principle itself is of little help in the controlling of claims unless the total amount that must be paid by the insured is so great that it will cause him to question his expenses as they are incurred and his bills as they are presented.

One company indicated that its so-called basic major medical plans written without conventional hospital and surgical plans and with a deductible of $50 were returning unsatisfactory experience. As plans got closer to full

(CONTINUED ON PAGE 33)

New Equitable Chief Pledges 'Open Door' to Newspaper Men

NEW YORK—"Our doors are always open," President James F. Oates Jr. of Equitable Society told insurance and daily newspaper men at a luncheon for them.

James F. Oates Jr.

Mr. Oates, who recently became president and chief executive officer, promised full cooperation with the press "within the limits of propriety."

Saying that the life insurance business is entering a very severely competitive era, Mr. Oates summarized his views on meeting this competition by quoting four points he has made in talks at regional meetings with Equitable agents around the country:

—Agents must be carefully selected, well trained, and intelligently advised, to sell insurance for the welfare of the buyer and at a fair and adequate compensation.

—The public interest comes first and "we must be sure that the quality of the Equitable is as high as mortal man can make it."

—The company must be sure to give the agent the best possible tools that can be devised and also not sacrifice quality, because "if you are just trying to do what the other fellow does you follow a parade to failure."

—A company is made by people and not by things "and if we can get that spirit we will be sure that Equitable is not just the biggest but the greatest that we the servants of the Equitable can make it."

Co-hosts with Mr. Oates were Chairman Ray D. Murphy, Senior Vice-president Melville Dickenson, and Leslie R. Shope, advertising manager and press relations director.

Wis. OKs Variable Annuity for Teachers, Civil Help

Both houses of the Wisconsin legislature, without a dissenting vote, have passed legislation which paves the way for a variable annuity program on an optional basis up to $50,000 for Wisconsin state and local government employes and teachers in the Wisconsin public schools. The approved bill has been sent to Gov. Thomson for what has been described as his "certain approval." Under the prospective act, each annuitant in the state retirement system and teacher retirement system will be entitled to choose whether he wants 25% of his account invested by the state investment commission in stocks and other equities that will "earn a greater return than the fixed investments usually used by retirement fund trustees." It was reported that the annuity program on the optional basis was worked out for those "who desire to have a hedge against the erosion of their retirement funds through inflation."

Tampa GAs Elect Boon

Oscar A. Boon, manager of Metropolitan Life, has been elected president of Tampa General Agents & Life Managers Assn.

Also elected were J. D. Peters, Liberty National Life, vice-president, and Philip Clark, Massachusetts Mutual, secretary. Directors are John Mills, Guardian Life; Scott Lee, New York Life; J. A. Barnes, Philadelphia Life, and Robert Pope, Mutual of New York.

Travelers Offers Plan for Unified Monthly Payment of Premiums

Travelers has introduced a plan enabling agents and brokers to offer many combinations of family insurance with premiums payable on a monthly basis with a single check, effective July 1.

The program is called the Travelers premium budget plan and consists of two features. The first provides for a budget plan agreement under which insured makes monthly payments after a down payment. This applies to premiums for casualty and fire insurance. The second provides, in connection with the first, for the simultaneous collection of life and A&S premiums.

Regional collection offices have been established in New York, Hartford, Dallas, Atlanta, Chicago and San Francisco. Agents and brokers are given the option of making their own collections of monthly payments, or providing for policyholders to send their payments directly to a regional office.

President J. Doyle DeWitt said extensive research indicated a substantial majority of the public would prefer the convenience of paying for all its personal insurance on a monthly basis and by a single transaction. Travelers feels that the new plan is a significant step in enabling the public to carry the kinds and amounts of family insurance it needs.

Colonial Life has received the 1957 community Boy Scout award for outstanding service to youth in the Oranges and Maplewood, N.J.

Says Pension Plans Are More Satisfactory Than Profit-Sharing

"Pension plans are probably more satisfactory from the employe's standpoint than profit-sharing plans," declared James H. Dummer, sales manager of the Continental Assurance retirement and special plans department, in a speech at Kansas Bank Management Clinic held at University of Kansas in Lawrence.

"Profit-sharing plans," Mr. Dummer said, "have the advantage of flexibility because Internal Revenue department regulations do not require any set formula. But this plan depends on future expected profits. If there are none in any given year, employes' dissatisfaction and a consequent drop in morale will probably result.

"Pension plans, on the other hand, provide fixed benefits for employes, eliminating all uncertainty as to the retirement income they can expect. Faithful employes of long service are rewarded in full. And, regardless of length of service, valuable employes can be more fully rewarded under a pension plan, whereas under a profit-sharing arrangement, the amount of benefits paid depends on the accumulation of the employes' share in the company's profits over the years. A man of only a comparatively few years' service, no matter how valuable his work may have been to the company, could not be very generously rewarded for his contribution to the success of the firm."

Both pension and profit-sharing plans, Mr. Dummer pointed out, have great tax advantages to all employes, both high and low income workers alike. He cited an example of a man in the 20% tax bracket.

"Out of a $1,000 he might set aside each year to fund his own personal retirement program, he pays $200 in income taxes. Assuming the money is invested at 3% interest, 20% of annual interest earnings must be paid in income taxes, leaving a net return of 2.4% interest on 80% of his money. And the higher the man's income, the greater the tax grab. The same $1,000 invested for him in a pension plan by his employer would accumulate in full at the full 3% interest."

Mr. Dummer also emphasized the advantages in either plan to the employer of helping to create good morale among his personnel and, at the same time, gaining a tax saving by being able to deduct all money put into his employes' retirement fund from corporate income taxes. The employe pays no income tax on the money set aside for him until he receives it. If he takes it in one lump sum, he has the benefit of a long term capital gain tax, which permits a 50% exclusion with a maximum 25% tax.

Loyal Protective Joins LIAMA

Loyal Protective Life has joined LIAMA. New associate members are African Home Trust & Insurance of Capetown, South Africa, and Mitsui Mutual Life, Tokyo.

U. S. member companies now number 205, Canadian membership is 38 and associate members in other countries are 51 for a total of 294.

San Francisco Cashiers Elect Slate

New officers of San Francisco Life Agency Cashiers Assn. are Mary Hood, Guardian Life, president; Martha Scherf, California-Western State Life, vice-president; Evelyn Cook, Connecticut General Life, secretary, and Allan E. Dummer, American National Life, treasurer.

First Public Offering . . .

3-D Pension Plan For Small Groups

Exclusive New Plan Gives Small Concerns Every Advantage Enjoyed by Giants

Groups of 10-40 employees can now be provided retirement income plans . . . *on a group underwritten basis* . . . comparable in features and advantages to the finest ever developed for industrial giants.

Continental has devised master contracts to fund more different types of pension plans than any other insurance company.

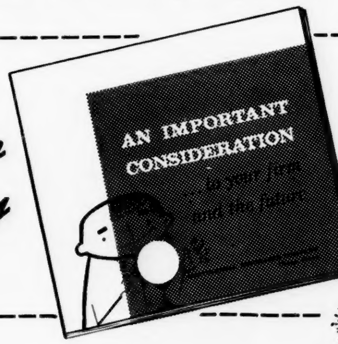
Directed by this wealth of experience, CAC research skimmed the cream from the best of existing plans. Then results were combined into readily adaptable basic elements for building individually adjustable programs . . . stress on simplicity and adequacy every step of the way.

No trust needed. Qualifies for tax advantages. Group underwriting. Virtually no administrative burden. Premiums well below individual policies.

To get the full and easily understandable facts, please write for a copy of our booklet, "An Important Consideration."

"Attractive Commissions" . . . Doubled!

Write for your copy



"An Important Consideration" is almost a do-it-yourself pattern for small group pension planning. No technicalities. No mysteries. Ask for your copy by return mail.

CONTINENTAL ASSURANCE COMPANY

46th YEAR OF Life INSURANCE SERVICE 1911-1957

Retirement and Special Plans Department

310 SOUTH MICHIGAN AVENUE • CHICAGO 4, ILLINOIS

Continental Launches Pre-Authorized Check Plan, Other Changes

Auto-Check, a plan which allows policyholders to pay premiums automatically through checking accounts at savings of approximately 2% of the regular monthly premium, has been made available by Continental Assurance. The plan had several months of field testing, begun in the last quarter of 1956, before it was made available to all prospects and clients of Continental. It also incorporates forms and procedures recommended by American Bankers Assn. and was assured both client and bank acceptance before being released generally.

An important innovation in the plan is the auto-check check-book reminder designed to help policyholders remember to deduct the amount paid each month in premiums from their accounts. Continental said it is the first company in the industry to offer this extra service to policyholders.

Several other policy changes were announced this week by Continental at a spring sales conferences at Arrowhead Springs hotel near San Bernardino, Cal., for 16 principals of top general agencies in the Pacific coast area. One introduction of significance is a new small group pension plan, called "3-D" for deferred deductible dollars. Created by the company's retirement and special plans department, the "3-D" plan is designed to be the essence of simplicity, making it possible for every producer to enter the pension market even though he's had no pension selling experience or background.

Continental also is increasing its group life insurance limits to $40,000 plus new key man disability coverage monthly benefits of $833. General agents at this California conference also were given a resume of the group department's new and original paid-up hospital-medical-surgical plan for retired employes and dependents.

Other items presented at the conference were a new general agents' non-cancellable A&S manual and a new mortgage franchise kit for use in lending institutions.

Previous sales conferences were held at the Wagon Wheel, Rockton, Ill., for leading midwest agencies, and at Cherry Hill Inn, near Philadelphia, for production-leading eastern department general agencies.

NW Nat'l Increasing Dividends by 22%

Northwestern National Life will increase dividends on participating policies effective July 1. Total dividends paid by the company to individual participating policyholders would normally increase about 11% this year due to the larger volume of insurance in force and the payment of another year's premium. The new scale will further increase this by about 11% so that during the new dividend year the company will pay out about 25% more in dividends to participating policyholders than it did in the current year ending June 30.

No change is contemplated in the present rate of 3% interest paid on dividend accumulations left with the company nor in the rate paid on individual premium deposit funds.

Interest on trustees' conversion funds established in conjunction with pension trust plans is being increased from 2¾% to 3%. Funds left on deposit with the company under supplemental agreements will continue to draw interest ranging from 2¾% to 3½% depending on the terms of the original policy.

President John Pillsbury Jr., who announced the increased dividends, said the increases will not be the same for all plans and ages, but will vary for different policies according to mortality and other factors involved in each one. Northwestern National also reported its sales of new individual policies in May were 30% greater than for the same month last year and resulted in the best May ever.

Texas H. O. Underwriters Elects Ratliff President

James Ratliff, Union Bankers Life, was elected president of Texas Home Office Life Underwriters Assn., succeeding R. W. Blevins, Southland Life, who was presented with a handsome desk pen set. Other officers elected are Jack F. Daniels, Republic National Life, vice-president of membership; J. Wayde Payne, Praetorians, vice-president of programs; David W. Soelter, Mercantile Security Life, vice-president of publicity, and Truman Ragsdale, Great National Life, secretary-treasurer.

SUBSTANDARD ADDED

Family Policies Are 20% of N. Y. Life's Policy Applications

New York Life has added substandard to its family insurance program which provides a "package" of life insurance coverages for husband, wife and children.

These policies have not previously been available to husbands with medical impairments or engaged in hazardous occupations, but now "special class" family insurance coverage has been extended to husbands 18 to 50 in rating classes A and B, or where a temporary flat extra premium rating of $5 or less is required because of medical impairments.

Also eligible are husbands qualifying for insurance subject to flat extra premium ratings of $5 or less because of aviation or "hazardous" occupations.

As a result of the broadened program, New York Life estimates that about 95% of all fathers at ages 18 to 50 can now qualify for a family insurance policy. The widespread public acceptance of New York Life's new package policy since its introduction last April is evidenced by the fact that over 20% of all policy applications currently submitted are for the family insurance policy.

Policies and term riders issued under the new program will contain the same provisions as standard family insurance policies and riders. Waiver of premium and double indemnity benefits will be automatically included in the same manner as under standard family insurance policies.

Kansas City Assn. Elects Howard Manning

Howard Manning, Equitable Life of Iowa, was elected president of Kansas City Life Underwriters Assn. at the group's recent annual meeting. Other new officers are Sam C. Pearson Jr., Massachusetts Mutual Life, and Allen C. Kessler, National Fidelity Life, both vice-presidents, and K. E. Warden, Great-West Life, secretary-treasurer. Directors are Glen S. Baker, Prudential; Hedwig Eichenberg, Kansas City Life; A. F. Kuhlman Jr., Connecticut Mutual Life; Charles R. Murrah, Mutual Life of New York; Harvey Ross, Business Men's Assurance, and T. G. Scanlon, Old American Life. D. A. Nugent is executive secretary of the Kansas City association.

The Kansas City association at its meeting also pursued its contention that a "fee" paid for a jumbo group case in that area was inadequate for the business involved. As a result, about July 15 a special committee headed by Mr. Manning and including Charles King of Mutual Benefit Life and Ted Johnstone, general agent of Columbia National Life, is scheduled to draft an answer to a letter received earlier this year from President Powell B. McHaney of General American Life which represented an answer to a resolution of protest adopted earlier by the Kansas City association over the group life insurance case, which totaled about $300 million and was written by General American as originating company and participated in by Prudential, Metropolitan, and Southwestern Life.

Ohio Dept. Gains Cabinet Status

Gov. O'Neill of Ohio has signed a bill making the insurance department an independent body and giving it cabinet status. Superintendent A. I. Vorys is head of the department.

Natl. of Vt. Contracts for New Home Office

President Deane C. Davis of National Life of Vermont has been authorized by the building committee to sign a general contract with Gilbane Building Co. of Providence for construction of a new home office.

The new building, estimated to cost several million, will be able to house 1,000 employes in the future. The staff now numbers 520.

The building committee also approved the general design of the new building which will be constructed on a wooded hill directly across the Winooski river from the present home office at Montpelier. Final approval rests with the board.

As submitted by the Boston architectural firm of Hoyle, Doran & Berry, the general design pictures a functional rectangular 5-story structure combined with a 2-story, somewhat semi-circular annex housing an entrance, lounge and cafeteria. The architects have placed emphasis on the horizontal dimension of the 450-foot-long building by using continuous bands of windows separated by unbroken lines of masonry. While final selection of masonry has not yet been made, there will be considerable use of granite and marble in the building.

The building will occupy 1½ acres, with entrance ways and parking areas requiring five acres.

United American Life of Atlanta, an 18-month old insurer which wrote in excess of $34 million its first year, has entered Florida, its sixth southern state.

Pension Funds Up 71% in Four Years

Pension plans in the United States showed more than $45,000,000,000 of accumulated funds, an increase of $18,750,000,000 or 71% over a 4-year period, and are becoming an important source of capital, according to Institute of Life Insurance.

These figures include only the established pension programs which cover 14 million workers in private plans and 7 million workers who come under the railroad retirement and federal, state and local civil service programs. They do not include the retirement plans of the armed forces, which are met through the federal budget, nor the $21,700,000,000 in the OASI trust fund.

Two-thirds of the new money has been invested in corporate securities and mortgages during the four years. The pension investments in such channels totaled nearly $22,000,000,000 at the start of 1956, a rise of $12,500,000,000 or 133% during the period.

United States government securities still remain the largest pension investment portfolio, but this is largely because they are the sole investment of the federal plans. At the start of 1956, the combined private and government pension plans held $18,040,000,000 in United States government securities, a 4-year rise of 29%. In the private plans, these securities increased only 12%; in the government plans, 34.

Corporate bonds comprise the second largest pension portfolio, with well over $14,000,000,000 held at the start of 1956, an increase of 130% in four years.

Corporate stocks, standing at $3,800,000,000 at the start of last year, showed a 4-year increase of 200%. The greater part of the increase was in common stocks, up 256%.

Mortgages, chiefly found in the insured pension plans, increased 100% in the period.

Wide differences are shown between the types of pension plans, both as to distribution of investments and shifting trends. Insured pension plan investments, measured as a pro rata share of life company assets, were predominantly corporate bonds and mortgages. Uninsured private pension funds were heavily in corporate bonds, but their second largest investment was corporate stocks, with United States government bonds a close third. These three portfolios made up 90% of their total investments.

Chicago Life & Trust Council Elects Officers

New officers and members of the executive committee of Chicago Life Insurance & Trust Council were elected recently. They are Harry R. Schultz, Mutual Life of New York president; Thomas L. McDermand, Northern Trust Co., vice-president; Richard C. Frasier, Great-West Life, treasurer, and Layman L. Hay, City National Bank, secretary.

New members of the executive committee are Asa J. Baber, Chicago Title & Trust Co.; Samuel A. Sakol, David Himmelblau & Co.; Robert F. Spindell, attorney; John O. Todd, Todd & Zischke Services, Inc.; Joseph G. Porter, La Salle National Bank, and Robert K. Schott, Phoenix Mutual Life. John W. Heddens, Continental National Bank & Trust, is the immediate past president.

The Fisher agency of Equitable Life of Iowa at Springfield, Ill., recently held open house in its new offices at 410 South Ninth street.

Mutual Benefit Life's Briefing Sessions Tell Agents About New Policy and Rules

Agencies of Mutual Benefit Life this week began a series of "briefing sessions" to acquaint agents with the format and content of the company's new policy.

The new policy was first presented in March to the company's general agents at their annual meeting in Florida; however, public announcement of the contents has been withheld pending state approval.

In developing the new booklet-type policy four major areas were emphasized: modernizing the format of the policy to make it easier for the policyholder to use; simplifying the language; including in the contract various provisions which were formerly practices of the company; and mechanizing the procedure of issuing the policy and preparing the initial records. Also, some entirely new features have been adopted and some changes in underwriting rules and in rates have been made. Among them are these:

The prepayment receipt has been changed so that if the applicant is insurable at standard rates for the amount and plan applied for, including any extra benefit agreements, he will be covered from the later of the dates (called the "effective date") of the part I and part II of the applications provided the correct payment has been made. If it should develop that the applicant is a special class risk and if the amount applied for does not exceed the permissible limits in his special classification, a policy will be issued for the amount applied for, subject to the signing of an amendment.

• • •

If, within 30 days after the effective date, the insured signs the amendment immediately upon notice of the company's underwriting action and makes up any difference of premium, the policy will then be effective. If he should die within 30 days after the effective date and before he has received notice of the special classification, he will be regarded as having been insured for the full amount just as if he had accepted the policy by executing the amendment.

Family protection (the company's decreasing term insurance benefit) will be written in terms of "units" instead of as a stated schedule of term insurance per $1,000 of face amount for the basic policy. The new policy provides such a schedule for each family protection unit.

Each unit of family protection will provide enough term insurance to pay, on its own account and without regard to any interest income from the basic policy, $1 a month under an installment option from the date of the insured's death to the end of the family protection term.

Using this approach it will be possible to include a family protection provision at the time of issue of the basic policy virtually without regard for the amount of the basic policy.

The family protection term insurance may be converted during 80% of the term. The maximum amount which can be converted at any time will be the amount of term insurance then in effect less 2% of such amount for each elapsed policy year. It will

(CONTINUED ON PAGE 23)

McKinnon Wins A&S Award at St. Paul Convention

Leonard A. McKinnon, McKinnon & Mooney agency, Flint, Mich., and a past president of the International Assn. of A&H Underwriters received the Harold R. Gordon 1957 "A&H man of the year" award for outstanding service to the industry. The presentation was made at the banquet which ended the annual convention in St. Paul.

The presentation, made by Albert H. Wohlers, Youngberg-Carlson, Chicago, chairman of the awards committee, marked the ninth annual award in perpetuating the memory of the late Harold R. Gordon, who was managing director of Health and Accident Underwriters Conference. The Chicago A&H Assn., originator of the award which consists of a gavel and plaque, cooperates with the International association in the presentation.

• • •

Mr. McKinnon was the unanimous choice of the 1957 award committee after it considered the nomination ballots sent to members of interested segments of the business, including state commissioners. Committee members with Mr. Wohlers were Irving G. Wessman, Loyalty Group; E. H. O'Connor, Insurance Economics Society; John C. Burridge, National Underwriter, and Bruce Gifford of the International association.

The committee cited Mr. McKinnon as an insurance agent who is representative of the entire industry as an example of what an "insurance man" should be and do in behalf of his fellow citizens and fellow agents. He has served in Flint as a leader in various welfare and fraternal organizations.

• • •

Mr. McKinnon entered insurance in 1924, and in 1929, with his partner, organized a general insurance agency in Flint which is the largest A&S producer representing the company for which it has been general agent since 1932. He has held offices in local and state life associations, and has been president of his local A&H association. He became a member of the International's board in 1950, vice-president in 1953, and president in 1954. After that, he continued to support the association by accepting the presidency of the Disability Insurance Training Council.

Recipients of the award in past years, were E. H. O'Connor, managing director, Insurance Economics Society; V. J. Skutt, president, Mutual Benefit H.&A.; William E. Lebby, Massachusetts Indemnity; the late Burt A. Hedges, Business Men's Assurance; E. H. Mueller, Milwaukee agent; John G. Galloway, Birmingham agent; E. J. Faulkner, president, Woodmen Accident & Life; and James E. Powell, vice-president, Provident L.&A.

Blue Grass Life Merges With American Heritage

Blue Grass Life of Covington, Ky., has been merged with American Heritage Life of Jacksonville, Fla. Blue Grass stockholders met last week to approve this merger action. The Blue Grass division of American Heritage, which closed 1956 with more than $7 million of life insurance in force, has set for itself a production goal of $5 million for the balance of 1957. American Heritage has more than $50 million of life insurance in force.

FAMILY POLICIES, TOO

New Mortality Table a Hot Topic at Society of Actuaries Western Meeting

There was extensive discussion of the proposed new X-17 mortality table at the recent western spring meeting of Society of Actuaries.

The discussion was opened by W. Harold Bittel of the New Jersey department, who reported that the National Assn. of Insurance Commissioners subcommittee on deficiency reserves had concluded that no change should be made in the deficiency reserve statute at this time.

C. A. Ormsby, Connecticut General, outlined the problems that deficiency reserves present to the insurance industry in trying to operate on a sound basis in a competitive market.

R. H. Jordan, Old Line Life, demonstrated that the deficiency reserve statutes operate as a minimum premium requirement, which is clearly not their intent.

E. F. Estes, Bankers Life of Nebraska, submitted a revised statute draft covering the intent of deficiency reserve statutes.

G. H. Davis, Life Insurance Assn. of America, could not see any need for deficiency reserves in practice, if the statutes were made to prohibit premiums which are in actual fact deficient.

• • •

R. Humphrys, Canadian Department, pointed out that Canada has had no statutory deficiency reserve statutes since 1927 and has operated quite successfully without them, since it looks at the adequacy of the entire reserve and not just one piece of it.

W. W. Keffer, Connecticut department, feels that statutes should be based on making sure the aggregate reserve is adequate and eliminate the term "deficiency reserve."

A. L. Buckman, Beneficial Standard Life, said the deficiency reserve requirements prevent non-participating companies from reducing their premiums to a safe adequate level to meet competition of mutual companies.

H. F. Rood, Lincoln National, expressed concern over this implied rate regulation of small non-participating companies.

W. C. Brown, Colonial, would be in favor of repeal of the deficiency reserve statutes.

R. H. Jordan, Old Line Life, pointed out that if the non-forfeiture values are not divorced from the reserves, the new permissive standard would become mandatory in a short time as a result of agency demand for the use of a more modern mortality table.

L. Levinson, Massachusetts Mutual, outlined the problems facing a mutual company that must decide whether to change to the new X-17 table or remain on the present CSO table.

Mr. Bittel stated that a company should change to new mortality table if the cost of procedures to obtain equity through annual and terminal dividends is prohibitive or too complex.

In his discussion of the scope of recent improvement in mortality experience, A. N. Guertin, American Life Convention, pointed out several actuarial factors that should be involved in considering revision of tables and also referred to the recommendation of the NAIC committee, of which he was chairman in 1941, that the need for a new table should be reviewed from time to time and quoted from reports of committees of the ALC and LIA supporting that recommendation in 1941.

• • •

In the discussion of premiums graded by size of policy, R. W. Walker, Northwestern Mutual, and D. G. Scott, Continental Assurance, reviewed the problems encountered by their companies in obtaining approval of graded premiums from the various insurance departments. Although most states gave immediate approval, several raised objections in the light of anti-discrimination statutes. However, the sanction given by the National Assn. of Insurance Commissioners after a thorough study of the question led to reconsideration and approval by all states.

Problems encountered in adopting graded premiums by size of policy include:

—Filing of statistical data substantiating the reasonableness of the gradation and distribution of expenses.

—Application of the principle "across the board" on all policies.

—Equitable treatment of outstanding policies.

• • •

L. A. Cannon, Great-West, in discussing the question of lower premiums on life insurance for women pointed out that the age setback approach tended to give too much allowance at older ages and too favorable results in early policy years.

M. A. Laird, National Life of Vermont, pointed out that cash values for women using male rates and values based on age set-back must meet the minimum values according to the true age in certain states.

G. F. Knight, Berkshire, in commenting on "special" high minimum policies, pointed out that grading premiums by size on all plans appears to be the better long range solution.

J. A. Campbell, London Life, stated that the only advantage of a "special" plan which may still remain is that it may be glamorized more easily than a simple discount for size.

Arthur Pedoe, Prudential of England, presented other results of a recent study of expenses indicating that handling costs per unit continue to show an upward trend notwithstand-

ing an appreciable increase in average size policy.

C. F. B. Richardson, Mutual of New York, pointed out a substantial increase in average size policy together with cost control effects and increased mechanization appear to have prevented unit costs from rising.

C. A. Ormsby, Connecticut General, in commenting on changes in occupational underwriting practices, said that recent liberalizations were justified by better living conditions and the reduction of hazardous working conditions. He warned, however, that justification for further liberalization for medical impairments should properly await definite evidence of improvement in the experience of impairment classes.

W. H. Schmidt, in reviewing Mutual Life's study of occupational classes, stated that of 550 occupations which previously were rated, only 42 now remain with the old ratings. The study indicated that certain extra mortality could be absorbed as standard, since reductions in expenses result from improved persistency and administrative practices.

• • •

D. J. van Keuran, Metropolitan, said that following the publication of the 1951 medical impairment study, his company revised its entire set of underwriting rules, adopting numerous changes not only in rates but in attitudes toward the importance of many disorders.

W. J. November commented that while recent rate adjustments of Equitable Society showed some reductions, increases were made to reflect experience for other classes.

G. W. Wilson, Sun of Canada, in reviewing the new practices of five Canadian companies, stated that their decisions were based on observations of continuing advances in the prevention and treatment of diseases as well as the 1951 study.

F. G. Whitbread, Lincoln National, discussed competitive underwriting cases and stated that his company progressively changes underwriting rules after analysis of its own and inter-company experience.

W. A. Keltie, Great-West, stated that his company had reviewed each impairment covered by the 1951 study with the result that approximately one-third of their applicants were affected by their changes.

The question of the underwriting problems introduced by the recent introduction of drugs to relieve hypertension was discussed by A. U. Jenkins, Prudential, who observed that while it is believed that the reduction of blood pressure will prolong life, no statistical evidence exists to indicate the extent of improvement. R. P. Peterson, Bankers of Iowa, suggested procedures and several rules of thumb an underwriter might follow in judging an individual hypertensive case. W. J. November, Equitable Society, commented that the use of drugs to relieve hypertension presented a very serious challenge to underwriters to avoid added cost burdens to other policyholders.

The subject of recent developments and company experience in connection with highly rated substandard lives drew the attention of several speakers. E. A. Lew said the amounts written by Metropolitan had exceeded their expectations. He concluded that the issuance of insurance to individuals with history of high blood pressure, heart disorders, and other serious conditions has proved to be a real service to the public. W. A. Keltie, Great-West, also agreeing that a real service was being fulfilled, referred to the high expense levels which arise if the "not taken" rate is high. N. F. Buck, Lincoln National, presented an interesting case study to emphasize how the willingness of a company to insure highly substandard risks provided a real service to the applicant and the public. N. Brodie, Equitable Society, stated that although there was no question as to the need of the service provided, care should be given to assess proper overhead costs to the particular class.

On the subject of whether or not companies might want to use temporary extra premiums for medical rat-

(CONTINUED ON PAGE 26)

The NATIONAL UNDERWRITER

The National Weekly Newspaper of Life Insurance

EDITORIAL OFFICE
99 John St., New York 38, N. Y.
Executive Editor: Robert B. Mitchell
Assistant Editors: John B. Lawrence Jr. and Robert Young Jr.

CHICAGO EDITORIAL OFFICE
175 W. Jackson Blvd., Chicago 4, Ill.
Associate Editor: John C. Burridge.
Assistant Editors: Richard J. Donahue, Richard G. Ebel, and Philip F. Van Pelt.
Production Editor: George H. Downs.

ADVERTISING OFFICE
175 W. Jackson Blvd., Chicago 4, Ill.
Telephone Wabash 2-2704
Advertising Manager: Raymond J. O'Brien.

SUBSCRIPTION OFFICE
420 E. Fourth St., Cincinnati 2, Ohio.
Telephone Parkway 1-2140

OFFICERS
Howard J. Burridge, President.
Louis H. Martin, Vice-President.
John Z. Herschede, Secretary-Treasurer.
420 E. Fourth St., Cincinnati 2, Ohio.
Telephone Parkway 1-2140.

SALES OFFICES

ATLANTA 3, GA.—432 Hurt Bldg., Tel. Murray 8-1634. Fred Baker, Southeastern Manager.

BOSTON 11, MASS.—207 Essex St., Rm. 421, Tel. Liberty 2-1402. Roy H. Lang, New England Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz and A. J. Wheeler, Chicago Managers. R. J. Wieghaus and William D. O'Connell, Resident Managers.

CINCINNATI 2, OHIO—420 E. Fourth Street, Tel. Parkway 1-2140. Chas. P. Woods, Sales Director; George C. Roeding, Associate Manager; Roy Rosenquist, Statistician.

DALLAS 1, TEXAS—708 Employers Insurance Bldg., Tel. Riverside 7-1127. Alfred E. Cadis, Southwestern Manager.

DENVER 2, COLO.—234 Commonwealth Building, Tel. Amherst 6-2725. Fred L. White, Rocky Mountain Manager.

DES MOINES 9, IOWA—327 Insurance Exchange Bldg., Tel. Atlantic 2-5986. D. J. Stevenson, Resident Manager.

DETROIT 26, MICH.—613 Lafayette Bldg., Tel. Woodward 5-2305. William J. Gessing, Manager for Indiana and Michigan.

INDIANAPOLIS 20, IND.—5634 N. Rural St., Tel. Clifford 3-2276, William J. Gessing, Manager for Indiana and Michigan.

MINNEAPOLIS 2, MINN.—1038 Northwestern Bank Bldg., Tel Federal 2-5417. Howard J. Meyer, Northwestern Manager.

NEW YORK 38, N. Y.—99 John Street, Room 2420, Tel. Beekman 3-3958. J. T. Curtin and Clarence W. Hammel, New York Managers.

NEWARK 2, N. J.—10 Commerce Ct., Tel. Market 3-7019. John F. McCormick, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad St., Room 1027, Tel. Pennypacker 5-3706. Robert I. Zoll, Middle Atlantic Manager.

ST. LOUIS 2, MO.—221 Pierce Bldg., Tel. Chestnut 1-1634. Geo. E. Wohlgemuth, Resident Manager.

SAN FRANCISCO 4, CAL.—582 Market St., Tel. Exbrook 2-3054. Richard G. Hamilton, Pacific Coast Manager.

CHANGE OF ADDRESS
Be certain to enclose mailing label with new address. Allow four weeks for completion of the change. Send to subscription office, 420 E. Fourth St., Cincinnati 2, Ohio.

EDITORIAL COMMENT

Antidote for Group's Deficiencies?

The letter in which David B. Fluegelman tendered his resignation as a member of the group committee of National Assn. of Life Underwriters has served to focus attention in a dramatic way on the apparent complete impasse in the effort to get anything close to the 20/40 limit enacted in the key state of New York. Even though NALU President A. Jack Nussbaum persuaded him to continue on the committee, Mr. Fluegelman's prominence as a former president of NALU, as the first chairman of its group committee, and as a general agent of Connecticut Mutual Life at New York made his decision to abandon the fight for group limits a matter of special significance.

Mr. Fluegelman is not the first to point out that with no limit in New York the entire system of group limits is probably headed for collapse, or at best virtual nullification. For the practical fact is that when a company as large and influential as Metropolitan Life doesn't want the 20/40 limit or anything closely resembling it, the company's home state is highly unlikely to override the company's wishes.

Who's right? NALU and the companies that want ceilings on group? Or Metropolitan and other companies that prefer to have no statutory restrictions? We don't know, and since our opinion would decide nothing anyway, we think it makes more sense to try to dope out what might be done to offset the detrimental effects that the anti-jumbo-group people attribute to unlimited group coverage.

We believe an individual, group-supplement policy could be devised that would be, in effect, an ordinary life policy, with usual non-forfeiture values, but providing no death benefit except to the extent that the group coverage dropped below the amount of coverage provided in the group-supplement policy. For example, Mr. Executive has $100,000 of group coverage. To "protect" the entire $100,000 with a group-supplement policy seems too costly, but he decides to buy $50,000. This means that if his group coverage drops below $50,000—even down to zero—the group-supplement will pay whatever is needed to raise the coverage to $50,000.

During the time the group coverage exceeds $50,000, the group-supplement policy would carry a special low rate (or high dividend) to reflect the lack of mortality charge. If the group coverage dropped below $50,000, the extent to which it did so would be reflected in the amount of rate reduction or higher dividends. Thus, if the group coverage dropped to $40,000, the mortality credit on the group-supplement policy would be only four-fifths as much as if the group were $50,000 or more.

Adverse selection would be minimized, because an individual would not be able, by his decision, to increase his coverage beyond what the company writing the group-supplement policy had contemplated. Of course, he could put the company on the risk by resigning and going with a company having no group insurance, but the ability to do this without losing all the coverage he'd been enjoying would hardly be the controlling reason in switching jobs. There could be a measure of anti-selection where an executive left a company because of poor health. But the degree of anti-selection would be offset entirely or partly by the likelihood of death during the time any extended group coverage was still in force.

What would happen to the cash value when a policyholder died during the time the group insurance exceeded the group-supplement policy? Apparently it would have to be paid to his beneficiary. To that extent it would provide more coverage than the insured had contemplated. Not a bad thing, of course, but it would inevitably cost more than if the rate were based on the cash value reverting to the insurer if death occurred while the group insurance was in force.

In effect, the buyer of a group-supplement policy would be merely charged for building up the ordinary-life reserve during the time that the policy was on a "stand-by" basis. He would pay the full ordinary life premiums only to the extent that the policy took over all or part of the mortality load from the group contract.

Would there be a market for such a policy? We don't know, because we don't know how many executives with jumbo group coverage have enough financial self-discipline to be concerned about relying on employer-provided term insurance for such a large portion of their insurance estates. But we believe it would have appeal, for it would be merely a logical development of a couple of ideas along this line suggested by General Agent Harold N. Sloane of Continental Assurance in New York City at the sales congress of the Erie, Pa., Life Underwriters Assn.

One of Mr. Sloane's suggestions was to sell a high-premium endowment or retirement income type of policy maturing at age 65, with the idea of using the proceeds to convert the group insurance not as of age 65 but dating the conversion back to whatever age the proceeds would take care of. This would permit a far less onerous premium for the permanent insurance. It would depend on the willingness of the group insurer to date back a conversion for a substantial number of years and so far as Mr. Sloane has been able to learn, only a couple of companies have indicated they would do this, and even then not as a matter of right.

Mr. Sloane's other suggestion was that the group company itself permit the group-covered individual to build up a reserve fund that he could use for this same purpose at retirement age. With either proposal the aim would be to prevent the premium after conversion from being such a back-breaking load as to be prohibitive.

It would be only a step from either of these plans to a group-supplement policy designed specifically to dovetail with any group policy, whether written in the same company or any other.

Whether any or all of these ideas becomes prevalent or not, it seems likely that agents will go increasingly to the practice of charging fees for insurance advice in situations where there is need for such service but there is no chance, because of the amount of existing coverage, of selling enough insurance to earn a decent commission. Actually, the charging of fees is already much more prevalent than is generally realized. It seems an inevitable outgrowth of the narrowing of the agent's market plus the increased need for expert advice if the total of a man's coverages is to be something better than a mish-mash.
—R.B.M.

Labor More Friendly Toward Insurance

It is gratifying to see a responsible labor leader expressing the view that labor today is more sympathetic and receptive to the institution of private insurance than ever before. The man who said this is Jerome Pollack, program consultant in the social security department of the United Automobile Workers union. He told the recent international insurance conference at Philadelphia that people who think labor wants something for nothing seriously underestimate labor's concern for economic security. In fact, he said, labor is willing to pay its fair share, along with management, to guarantee the additional security workers feel they need. And labor hopes that much of the gain can be found by cooperating with private insurers.

If what Mr. Pollack says goes for the labor movement in general, then it is good news indeed.

Perhaps labor is gaining a greater realization that the best road to security for the average workingman is the one marked "private insurance." Surely many union leaders know that "there is no such thing as free lunch," that constantly expanding social security benefits (particularly in election years) are going to cost plenty in the long run, with workers feeling the bite along with the rest of us.

The life insurance industry's sensible argument that social security benefits should provide only a "floor" on which private insurance plans can be built may be striking home to some of those labor leaders who have been urging higher social security coverage for so long.

The great increase in group life and A&S programs for working people can't help but spread the message of private insurance among them. They are learning that it is good to do business with reputable insurers which can pay claims and make policy changes quickly and efficiently, without the slow and complicated processes

found in red-taped government systems.

The insurance industry is proving constantly that it is eager to fill gaps in coverages, not only for workers and their families but for everyone. Major medical, A&S for older people and continued coverage for retirees are excellent examples.

Mr. Pollack said private insurance should use its flexibility, which the government lacks, to make bold experiments in coverages.

Well, the insurance business knows it, and is doing something about it.

Union people will not be disappointed if they put their faith in private insurance because new developments are being made all the time.

The insurance business will benefit, too. More group business will be written on working people to meet their demand for greater protection and security. At the same time, a heightened awareness of the value of private insurance will make many workers good prospects for individual plans written by life and A&S agents.—John B. Lawrence Jr.

PERSONALS

Harold E. Neely, who on July 1 will succeed Louie Miller as West Virginia insurance commissioner, is a newcomer to the business. He has been with the department since April 1 training for his new position. Mr. Miller made it known sometime ago that he intended to resign to resume the private practice of law, but he was prevailed upon to stay until the new West Virginia insurance code was adopted. Mr. Neely attended Northwestern university and graduated from University of West Virginia and Harvard law school. He was with the war crimes commission, and since about 1947 has been in business with his father, a merchant at Hinton, W. Va. He has been active in Republican politics. The change in commissioners in West Virginia is considered to be a friendly one, and all personnel in the department will be retained.

J. Howard Alltop, secretary of American United Life, has been elected president of the new Arts & Science college, a graduate school alumni association of Indiana university.

R. Donald Quackenbush, director of group sales of Bankers National Life and a member of the speakers and advisory committees for the Hoover report, discussed the second Hoover commission report at the annual convention of New Jersey Federation of Women's clubs at Atlantic City.

W. Frank Gardner, general manager of Prudential of England, is visiting his company's affiliate, Prudential of Great Britain in New York, while on a round-the-world business trip. He will be a guest at luncheons with **Frederick H. Ecker,** honorary chairman of Metropolitan Life, **Carrol M. Shanks,** president of Prudential, their senior executives and the New York board of Prudential of Great Britain.

James E. Fusco, associate general agent for Midland Mutual Life at Columbus, was awarded an alumni citation at the commencement of Ohio Northern university at Ada. The award was for his work on the university's board and also as former president of National Alumni Assn.

Malcolm C. White, president of Oklahoma City Assn. of Life Underwriters, this month marks his 15th anniversary as Oklahoma City general agent for Pacific Mutual Life.

John W. Umstead Jr., Jefferson Standard, Chapel Hill, N. C., has been awarded an honorary doctor of laws degree by University of North Carolina for his long service as a member of the state legislature.

R. A. Frederick, administrative vice-president of Franklin Life, and Mrs. Frederick, recently returned home from Europe aboard the Queen Mary.

Paul W. Haeberlin, North American Life, Detroit, has had his name placed in nomination for president of Toastmasters International. The annual convention will be in Dallas Aug. 22.

Sidney G. Hall, Sr., with Wisconsin National Life at Kokomo, Ind., was honored at a dinner and given a trophy in recognition of his 30 years service with the company.

DEATHS

A. R. JACQUA, 63, director of Institute of Insurance Marketing at Southern Methodist university, died of a heart attack June 16. Starting in life insurance as an agent for Pacific Mutual at Minneapolis, Mr. Jaqua joined The National Underwriter Co. as associate editor of the *Diamond Life Bulletins* in 1928. He became the first editor of *Diamond Life Bulletins Agent's Service* when that service was inaugurated in 1934. He continued with The National Underwriter Co. until 1945 when he left to organize the marketing institute at Purdue university, the first of its kind. About a year later he went to Southern Methodist where he founded the SMU Institute. Mr. Jaqua was the author of several books, including "The Essentials of Life Underwriting," which is used as a preliminary training course by companies and agencies, and "Basic Life Insurance," a college text book. He was also nationally known as a speaker at company conventions and sales congresses.

A. R. Jaqua

THOMAS S. SNOWDEN, 74, retired assistant treasurer of Penn Mutual, died while vacationing at Warwick, N. Y.

GEORGE W. HARGER, general agent for the state of Oregon for Crown Life since 1950, died of a heart attack. His widow, Nadia, who assisted her husband in building the agency over the past seven years, will continue as office manager under the new general agent, Lloyd L. Cummings, who formerly was Mr. Harger's agency supervisor.

Publish Report on GAMC Midyear

A report on the management program presented at the midyear meeting in Roanoke has been sent to all members of General Agents & Managers Conference of National Assn. of Life Underwriters. The 20-page report, edited by Donald A. Baker, executive director of GAMC, sells for 50 cents a copy.

Fraudulent Insurance Statements To Bring Jail Term in Texas

AUSTIN—An affirmation under penalty of perjury on all reports made by insurance companies to the Texas insurance commission is required in a new law signed into immediate effect last week by Gov. Daniel.

The required statement, similar to that incorporated in income tax returns, is in addition to the previously required notarized affirmation of the truth of a report. It is to be placed on annual reports, returns, declarations, statements, documents or other reports made by any person, firm, association, company, corporation or other insurance organization under any provision of the code.

Fraudulent execution of any such document containing the penalty of perjury provision, if it includes false statements, means a penalty on conviction of not less than two years nor more than five years in prison plus a $5,000 fine.

The statement to be signed reads: "I declare under the penalties of perjury that I prepared this (report, etc.) for the person, firm, association, company, corporation or other insurance organization named herein; and that this (report, etc.) including the accompanying schedules, statements and exhibits is a true, correct, and completed (report, etc.) based on all the information relating to this matter as required under the provisions of the insurance code, as amended, of which I have knowledge."

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co. 135 S. LaSalle St., Chicago, June 18, 1957

	Current Bid	Current Asked
Aetna Life	201	205
Beneficial Standard	17½	18½
Cal.-Western States	89	92
Colonial Life	144	150
Columbian National	78	81
Commonwealth Life	25	26
Connecticut General	299	303
Continental Assurance	125	127½
Franklin Life	103	105
Great Southern Life	75	79
Gulf Life	26¾	27¾
Jefferson Standard	89	91
Kansas City Life	1280	1310
Life & Casualty	19¾	20¾
Life Insurance Investors	15½	16
Life of Virginia	108	112
Lincoln National	225	228
National L. & A.	96	98
North American, Ill.	20	21
N. W. National Life	82	85
Ohio State Life	275	285
Old Line Life	59	63
Republic Natl. Life	38½	40
Southland Life	94	98
Southwestern Life	107	112
Travelers	83½	84½
United, Ill.	23	24
U. S. Life	34	35
West Coast Life	46	47
Wisconsin National	67	72

New Pa. Special Deputy Commissioner Appointed

Commissioner Smith of Pennsylvania has appointed Francis X. McClanaghan of Philadelphia special deputy insurance commissioner in charge of liquidation. He will make his headquarters at 1518 Walnut street there. An attorney, he is a former member of the state legislature and at one time served as counsel for the receiver of closed building and loan associations under the secretary of banking. He will have an annual salary of $11,501.

San Francisco GAs Elect Hemphill President

Arthur D. Hemphill, Equitable Society, is the new president of San Francisco General Agents & Managers Assn., succeeding B. W. Walker, New York Life. E. A. Ellis, Pacific Mutual, was elected vice-president, and Ralph K. Steil, Prudential, secretary-treasurer. New directors include Marshal Goodmanson, Provident L. & A.; Kenneth W. MacWhinney, John Hancock, and Mr. Walker, the immediate past president. By virtue of this election, Mr. Hemphill becomes a vice-president of San Francisco Life Underwriters Assn., representing general agents and managers. Election and installation of officers of the association took place at its annual "play day" at the Peninsula golf & country club.

Convention Dates

June 21-22, California Assn. of Life Underwriters, annual, Sheraton Huntington hotel, Pasadena.
June 24-26, Insurance Advertising Conference, annual, Spring Lake, N. J.
June 26-29, Federation of Insurance Counsel, annual, Waldorf Astoria hotel, New York City.
June 27-29, Texas Assn. of Life Underwriters annual, El Paso.
June 30-July 3, Million Dollar Round Table, Greenbrier hotel, White Sulphur Springs.
July 25, American College of Life Underwriters, executive committee, New York City.
Aug. 12-14, International Federation of Commercial Travelers, annual, Empress hotel, Victoria, British Columbia.
Sept. 9-11, International Claim Assn., annual, Chalfonte- Haddon Hall, Atlantic City.
Sept. 13-14, Southwest Management Conference, annual, Statler-Hilton hotel, Dallas.
Sept. 15-20, National Assn. of Life Underwriters, annual, Sheraton-Cadillac and Statler hotels, Detroit.
Sept. 16-20, General Agents & Managers Conference, annual, Detroit.
Sept. 17, American College of Life Underwriters, annual, Sheraton-Cadillac hotel, Detroit.
Sept. 18, American Society of Chartered Life Underwriters, annual, Detroit.
Sept. 23, Fraternal Actuarial Assn., annual, Statler hotel, Los Angeles.
Sept. 23-25, Life Office Management Assn., annual, Shoreham hotel Washington D. C.
Sept. 23-25, National Fraternal Congress of America, annual, Statler hotel, Los Angeles.
Sept. 26-28, Life Advertisers Assn., annual, Sheraton hotel, Philadelphia.
Oct. 7-8, Conference of Actuaries in Public Practice, annual, Morrison hotel, Chicago.
Oct. 7-11, American Life Convention, annual, Edgewater Beach hotel, Chicago.
Oct. 14, Society of Actuaries, annual, Commodore hotel, New York City.
Oct. 23-25, Assn. of Life Insurance Medical Directors, annual, Statler hotel, New York City.
Oct. 25-27, Gleaner Life Insurance Society, biennial, Louis Joliet hotel, Joliet, Ill.
Oct. 31-Nov. 1, Actuarial Club of the Pacific, annual, Biltmore hotel, Santa Barbara, Cal.
Oct. 31-Nov. 2, Mid-West Management conference, annual, French Lick, Ind.
Nov. 6-8, Institute of Home Office Underwriters, Edgewater Beach hotel, Chicago.
Nov. 10-14, Life Insurance Agency Management Assn., annual, Edgewater Beach hotel, Chicago.
Dec. 6-8, California State Assn. of Life Underwriters, midyear, Rickey's Studio inn, Palo Alto.
Dec. 9-10, Assn. of Life Insurance Counsel, winter meeting, Plaza hotel, New York City.
Dec. 10, Institute of Life Insurance, annual, Waldorf-Astoria hotel, New York City.
Dec. 11-12, Life Insurance Assn. of America, annual, Waldorf-Astoria hotel, New York City.

Mutual Benefit Briefs Agents on New Policy

(CONTINUED FROM PAGE 16)

also be possible to make partial conversion without the requirement of splitting the basic policy. The original contract will be continued and there will be only one additional policy—the new converted policy—each time conversion is made.

Coverage under the additional death benefit provision has been extended to age 70 and the youngest issue age has been reduced to 10.

The upper age limit for the issue of disability insurance to women, both waiver of premium and waiver and income benefits, has been extended to age 45.

A business insurance rider will make available to corporations and other business organizations certain rights with respect to the use of settlement options.

There has been a general reduction in rates for special classes A, B, C and D amounting to about 10% of the extra premium. All plans except single premium will now be available to special class risks through class D. This includes the ordinary life increasing premiums plan, as well as term and family protection.

Other rates reduced are those for initial term—ordinary life, term, and family protection.

Additional death benefit premiums have been calculated on a scale which is substantially lower. However, since the period of coverage has been extended to age 70, new premiums for some limited payment policies at the higher ages are higher than those for the old rider.

The new policy also includes the following provisions, many of which are practices the company has followed although they were not previously part of the contract:

A primary beneficiary who is a natural person and who is entitled to take proceeds in one sum at maturity may at that time designate, and from time to time change, the contingent beneficiary.

First-year dividends are allowed upon payment of premiums for at least a quarter of the second year rather than upon payment of the full second year's premium.

So-called "final dividends" are allowed in the event of termination by death or surrender, upon conversion into a paid-up policy, or if the insurance is extended.

The practice of paying interest on one-sum death claims has been liberalized and incorporated in the policy as a minimum guaranteed rate of 2¼%.

Any interested party in the policy may file proof of date of birth so as to expedite policy settlements.

During the month following the end of the grace period the policy may be reinstated without evidence of insurability.

The contractual period for reinstatement is 10 years.

Reinstatement is permitted without evidence of insurability if there are at least 10 more years of extended insurance.

An automatic loan provision is included in the new policy which can be made operative by checking a box in the application or upon later request. This automatic loan provision calls for change to the next more frequent mode of premium payment successively down to quarterly, in order to continue the policy with any extra benefit agreements on a premium paying basis as long as possible.

A table listing non-forfeiture values not only according to duration by policy year but also by attained age of the insured.

Northern Cal., Nevada Handbook Is Ready

A new, up-to-date Underwriters' Handbook of Northern California and Nevada has just been published by The National Underwriter Co. It provides complete and up-to-date information on the agencies, brokers, companies, field men, general agents, groups and other organizations affiliated with insurance throughout northern California and Nevada. The dividing line in California is at Kern and San Luis Obispo counties. Another new Handbook covering southern California and Arizona will be published in a few weeks. Copies of both Handbooks may be ordered from The National Underwriter Co., at 420 East Fourth street, Cincinnati 2, O. Price is $15 each.

672 on Fifth and Final List of MDRT Qualifiers

(CONTINUED FROM PAGE 4)

Life, Binghamton, N. Y.; James L. Price, New England Life, Dallas; Frank W. Purdy, Travelers, Seattle; Hugh R. Purdy, North American of Canada, Detroit; Charles L. Quinn, New England Life, Boston; Nelo E. Rhoton, New York Life, Flagstaff, Ariz.; John K. Rickard, Northwestern National, Hutchinson, Kan.; A. Everett Riley, New York Life, Kansas City; Kenneth V. Robinson, New England Life, Waterbury, Conn.; Robert Rogerson, Penn Mutual, Lansing; Charles E. Rosch, Northwestern Mutual, Baltimore; Leon I. Rothschild, Northwestern Mutual, Beverly Hills; Edward Russo, Northwestern Mutual, Baltimore; Francis W. Ryan, Massachusetts Mutual, Detroit; T. Saito, Manufacturers Life, Honolulu; Sidney Salomon Jr., Crown Life, St. Louis.

E. E. Sammons, United Fidelity, Dallas; Martin I. Scott, independent, Los Angeles; Clifford A. Seys, Northwestern Mutual, Grand Rapids; A. Andrew Shaffer, New England Life, Syracuse; Roy H. Sheldon, Equitable of Iowa, Los Angeles; Henry F. Silver, New England Life, New York; Lawrence E. Simon, Massachusetts Mutual, New York; Abner A. Simonton, National Life of Vermont, Atlanta; Louis K. Sims, New York Life, Los Angeles; Samuel M. Sitomer, Union Central, New York; Edward L. Sittler Jr., Mutual of New York, Uniontown, Pa.; Max Slater, Massachusetts Mutual, Boston; William E. Stanley, Provident Life & Accident, Greensboro, N. C.; Charles F. Stansberry Jr., Northwestern Mutual, Joliet, Ill.; Loren D. Stark, Connecticut Mutual, Houston; Russell W. Steger, New England Life, Chicago; Harry Steiner, Equitable Society, Chicago; Ron Stever, Equitable Society, Los Angeles; Walter F. Szwed, Acacia Mutual, Detroit; Sidney O. Thompson, New England Life, New York; Daniel H. Treloar Jr., Northwestern Mutual, New Castle, Pa.; George M. Venable, Northwestern Mutual, Columbus, Ga.; Robert J. Vessel, Northwestern National, Minneapolis; Stanley S. Watts, Equitable Society, Norfolk; Charles H. Webster, New York Life, Ithaca, N. Y.; Alfred D. Whitaker, Massachusetts Mutual, Providence; Jack E. White, New York Life, Dothan, Ala.; Jay Wilcox, New England Life, New York; Keith G. Wildes, New York Life, Juneau, Alaska; W. Hayden Wilson, New England Life, Pittsburgh.

Life Members

E. Walter Albachten, Pacific Mutual, Detroit; Lionel A. Alleson, Manufacturers Life, Durban, Natal, South Africa; C. Vivian Anderson, Provident Mutual, Cincinnati; Paul B. Banks, United Benefit, Philadelphia; Ferrel M. Bean, John Hancock, Chicago; Pierre Beaulieu, Les Prevoyants, Chicoutimi, Que.; Mildred P. Behr, Equitable Society, Chicago; J. L. Block, Continental Assurance, Las Vegas; William G. Booker, Crown Life, Toronto; Williston L. Bradway, Equitable Society, Los Angeles; Francis G. Bray, New England Life, Houston; W. Lester Brooks, Jefferson Standard, Charlotte, N. C.; Norbert J. Busch, Prudential, Pullman, Wash.; George B. Byrnes, New England Life, New York; W. Roy Carrick, Aetna Life, Worcester, Mass.; Eugene G. Carrington, Government Personnel, San Antonio; Edward Choate, New England Life, Los Angeles; Dana C. Clarke, independent, New York; Charles E. Cleeton, Occidental of California, Los Angeles; Joseph J. Coburn, Massachusetts Mutual, Detroit; W. Gleason Condon, Occidental of California, Boston; J. Dallas Corbiere, Mutual Benefit Life, Boston; William L. Crofford, Amicable Life, Corpus Christi; Shirley R. Dashiell, Lincoln National, Norfolk; P. J. Demetros, United Life & Accident, Koza, Okinawa.

M. J. Donnelly, independent, New Castle, Pa.; Francis B. Donovan, Northwestern Mutual, Peterborough, N. H.: Eddie Dyer, Southland Life, Ft. Worth; Charles H. Earl, American Equitable, Little Rock; William T. Earls, Mutual Benefit Life, Cincinnati; Dewey Edson, Northwestern Mutual, Madison; R. A. Elder, Equitable of Iowa, Williamsport, Pa.; Fred W. Felkel, American Bankers, Anderson, S. C.; Erwin W. Fenzau, Mutual Benefit Life, Chicago; Irwin M. Flaster, Security Mutual of Binghamton, N. Y., Newark; Albert G. Foster Jr., independent, Atlanta; Ralph E. Foster, Canada Life, Ottawa, Ont.; William L. Fowler, Lincoln National, Norfolk; Frank B. Francis, independent, Wilmington, Del.; Walfried H. Fromhold, New York Life, Palo Alto, Cal.; Byron S. Griffith, American National, Eureka, Cal.; Harry K. Gutmann, Mutual of New York, New York City; J. J. Hallahan, California-Western States, Dallas; M. J. Hamilton, Mutual Benefit Life, Chicago; William C. Hartman Jr., National Life of Vermont, Athens, Ga.; Samuel E. Hecker, Mutual of New York, New York City; Takeshi J. Hitomi, Lincoln National, Sacramento; J. Frank Holmes, Northwestern Mutual, Indianapolis; Albert Hopkins, Penn Mutual, New York; Edward D. Husted, Aetna Life, Toledo.

Dean Y. Ishii, Prudential, Lihue, Kauai, Hawaii; Royse W. Jackson, Massachusetts Mutual, Detroit; W. E. Johnson Jr., Mutual Benefit Life, Nashua, N. H.; Theodore A. Johnstone, Columbian National, Kansas City; J. Randolph Kennedy, New England Life, Detroit; Harold C. Kenyon, Home Life of New York, Grand Rapids; W. D. Key, Pilot Life, Columbus, Ga.; Mrs. Alyse Laemmle, Beneficial Standard, Los Angeles; Marc A. Law, Mutual Benefit Life, Chicago; Koon Wah Lee, American United, Honolulu; Sidney E. Leiwant, Dominion Life, Newark; Burton C. Lillis Jr., Lincoln National, Vallejo, Cal.; Joseph F. LoBosco, Manufacturers Life, Welland, Canada; Henry Y. F. Lung, United Benefit, Honolulu; John L. McCann, Jefferson Standard, Charlotte, N. C.; John D. A. McDonald, Excelsior Life, Toronto; George H. McWhirter, Georgia Life & Health, Atlanta; Merrill W. MacNamee, National Life of Vermont, Chicago; J. S. Maryman, Aetna Life, Texarkana, Ark.; Henry M. Meese, Travelers, Davenport; William A. Menke Jr., Franklin Life, San Diego; G. William Merritt, Mutual of New York, San Jose; Hugo J. Meyer, Jefferson Standard, El Paso; Herbert Minn, Massachusetts Mutual, Honolulu; Kenneth Mitchel, Aetna Life, Los Angeles.

W. Robert Moore, Connecticut Mutual, Decatur, Ill.; Arthur P. Morris, independent, Newark; Guy E. Morrison, Northwestern Mutual, Indianapolis; William H. Mountcastle, General American, Honolulu; Cecil W. Murray, Great Southern, Huntsville, Tex.; Thomas R. Nelson, Penn Mutual, San Rafael, Cal.; Lowell L. Newman, Penn Mutual, Ft. Wayne; H. Kennedy Nickell, Connecticut General, Chicago; Magnus B. Norman, Jefferson Standard, Sacramento; Gerald W. Page, Provident Mutual, Los Angeles; Bruce Parker, California-Western States, San Antonio; Walter T. Pleasants, John Hancock, Pekin, Ill.; J. Donald Plunkett, Provident Mutual, Reading, Pa.; Guy Poliquin, Prudential of England, Montreal; W. L. Pool, Lincoln National, Norfolk; J. U. Posner, Connecticut Mutual, Rochester, N. Y.; Charles E. Purdy Jr., independent, Minneapolis; George Y. Ragsdale, Union Central, Raleigh; Joseph H. Reese, Penn Mutual, Philadelphia; Charles D. Richardson, New England Life, Memphis; Harold W. Riess, Aid Association for Lutherans, Indianapolis; George W. Riley, New England Life, Minneapolis; John R. Routsong, New York Life, Los Angeles; Allan Rutledge Jr., Minnesota Mutual, Washington, D. C.; Francisco J. Salas-Berti, Pan-American Life, Caracas, Venezuela.

Ernie F. Schnepel, Prudential, Houston; H. Karl Schuetter, Northwestern Mutual, Appleton, Wis.; G. H. Schumacher, Massachusetts Mutual, Cleveland; Joseph Schwartz, Educators, Los Angeles; Robert Sheldrick, Northwestern Mutual, Newark; John M. Sisk Sr., Bankers of Iowa, Milwaukee; Louis P. Small, United Life & Accident, Worcester; Ben Smick, American United, Spokane; Caleb R. Smith, Massachusetts Mutual, Asheville, N. C.; J. Roland Sterner, Northwestern Mutual, Newark; Grant Taggart, California-Western States, Cowley, Wyo.; T. Averett Taylor, Northwestern Mutual, Columbus, Ga.; Dix Teachenor, Kansas City Life, Kansas City; Laurence G. Thebaud, Massachusetts Mutual, Buffalo; Marion E. Thompson, Prudential, Manhattan, Kan.; William N. Thurman, Mutual Benefit Life, Atlanta; Harwood J. Tibbits, Mutual Benefit Life, Spokane; Gerard B. Tracy, independent, New York; Loyd W. Uebele, Northwestern Mutual, Chicago; Charles J. Underell, Occidental of California, London, Canada; Hal Van Cleve, Massachusetts Mutual, Los Angeles; Jack Wardlaw, Northwestern Mutual, Raleigh; Robert E. Watson, Occidental of California, San Francisco; Stanley Zeskind, American Bankers, Baltimore; William S. Ziegler, Ohio National, Joliet, Ill.

Life and Qualifying, first time

James C. Alley, New York Life, Los Angeles; Joseph E. Bright, New England Life, Buffalo; Marvin J. Brown, New York Life, Dayton, O.; Thomas A. Card, Mutual Benefit Life, Cleveland; Winslow S. Cobb Jr., Connecticut Mutual, Boston; Louis Deitelbaum, Equitable Society, Chicago; Edward J. Dore Jr., Berkshire Life, Detroit; James G. Dornan, Pilot Life, Philadelphia; Louis Freedenberg, Home Life of New York, New York City; Ira E. Graham, Northwestern Mutual, Chicago; Frank R. Horner, Northwestern Mutual, Madison; William J. Irvin, Connecticut General, Trenton; Sydney M. Katz, Equitable Society, Scranton; W. Stewart Kernohan, Manufacturers, Toronto; Frederick V. McNair III, Jefferson Standard, Bethesda, Md.; George P. Mahler, Massachusetts Mutual, Kearny, N. J.; Angelo J. Manzi, New York Life, Las Vegas; Rollins W. Miller Jr., New York Life, Washington, D. C.; Alfred L. Moniot, Equitable Society, Haddonfield, N. J.; Oscar B. Olsen, Northwestern Mutual, Teaneck, N. J.; F. Preston Pulliam, New York Life, Arlington, Va.; William I. Rosenthal, Life of Virginia, Maplewood, N. J.; L. D. Rothensies, Penn Mutual, Wilmington, Del.; J. P. Rudolph, Mutual Benefit Life, New York; Joseph J. Schoenberg, New York Life, Akron; Fred R. Soldwedel, Massachusetts Mutual, Pekin, Ill.; Leo T. Tibensky, Northwestern Mutual, Chicago; W. E. Walden, Jackson Life, Bellaire, Tex.; D. Allan Yambert, New York Life, San Francisco.

Qualifying, repeating

William J. Ackerman, New England Life, Los Angeles; Hubert J. Alton, Union Labor Life, New York; Marvin B. Anderson, New York Life, Los Angeles; Merril P. Arden, Connecticut Mutual, New York; Glenn R. Baker, Equitable of Iowa, San Jose; R. Park Bagley Jr., Northwestern Mutual, Buffalo; J. Eugene Baker, New York Life, St. Louis; Bruce H. Beale, Massachusetts Mutual, Philadelphia; B. Scott Blanton, Phoenix Mutual, Charlotte, N. C.; Maurice Blond, Mutual Trust Life, Brooklyn; Douglas Boswell, New York Life, Oakland; Raymond H. Bradstreet, New England Life, Los Angeles; John H. Brady, New England Life, New York; Milton A. Braman, Massachusetts Mutual, Gary, Ind.; C. V. Brush, Northwestern Mutual, Aurora, Ill.; Richard W. Candland, Connecticut General, Los Angeles; Robert S. Chaffer, Penn Mutual, East Orange, N. J.; J. Dwight Chaney, International Fidelity, Dallas; Jack Chase, New York Life, Riverside, Cal.; Kwanchieh Chow, Occidental of California, San Francisco; Henry H. Cobb Jr., New York Life, Birmingham; Warren F. Cook, New York Life, Ann Arbor; Lewis Cotlow, Massachusetts Mutual, New York; Jens M. Dellert, independent, Chicago; Allen L. Dickey, Phoenix Mutual, Beverly Hills.

Thomas H. Dickinson, Mutual of Canada, Toronto; Edward J. Dore Sr., Berkshire, Detroit; D. Paul Fansler, Bankers Life of Nebraska, Fresno; Duke Farrington, New York Life, Gloversville, N. Y.; C. Robinson Fish III, Northwestern Mutual, Boston; John S. Fitch, New York Life, Charlotte, N. C.; Milton H. Frank, National Guardian, Madison; H. M. Fulton, New York Life, Bartow, Fla.; Jack Harvey Gage, Manufacturers Life, Cape Town, South Africa, Daniel S. Gibbs Jr., Equitable Society, Chicago; Harold M. Glickman, Union Central, New York; J. J. Gold, Mutual Benefit Life, Miami Beach; Christopher Goldsbury, New England Life, San Antonio; Harold E. Goss, New England Life, Kansas City; William F. Grace, John Hancock, New Orleans; Philip Grosser, Mutual of New York, Beverly Hills; Clarence L. Hagstrom, Massachusetts Mutual, Seattle; Laurice W. Hall, New England Life, Buffalo; Ernest D. Haseltine Jr., Northwestern Mutual, Palo Alto, Cal.; David G. Hast, Northwestern Mutual, Pittsburgh; Harry Herlich, Crown Life, Montreal; T. Braxton Horsley, Life of Virginia, Richmond; J. Berkley Ingram Jr., Massachusetts Mutual, Winston-Salem, N. C.; W. Hollis Jenkins, Massachusetts Mutual, Los Angeles; C. Boyd Jones, New York Life, Oak Ridge, Tenn.

Hunter M. Jones, General American, Wichita Falls, Tex.; P. Fred Kamens, Northwestern Mutual, Pittsburgh; Nathaniel B. Kaye, John Hancock, Norfolk; Robert E. Kayler, New York Life, Phoenix; Harley J. Kirkpatrick, New England Life, Warren, O.; Seymour H. Kopelman, New England Life, New York; F. Gibbs LaMotte, Massachusetts Mutual, Baltimore; J. G. Land Jr., Atlas Life, Muskogee, Okla.; Dail D. Leonard, Crown Life, Toronto; Geo. A. Lyddy, New England Life, Los Angeles; Edgar E. Lyons, Home Life of New York, Hartford; Robert S. McClure Jr., Connecticut General, Lancaster, Pa.; E. R. McMillin Jr., New England Life, Nashville; Robert J. Manheimer, Equitable Society, New York; John E. Mann, Massachusetts Mutual, Albany; Louis May, Connecticut General, New York; Reginald S. Mayne, Manufacturers Life, Toronto; Herbert M. Mee, Northwestern Mutual, Oklahoma City; Walter B. Mintz, Massachusetts Mutual, Kearny, N. J.; Roland Mushat Jr., Equitable Society, Gadsden, Ala.; Dale L. Nelson, Equitable Society, Joliet, Ill.; R. Merle Palmer, Northwestern Mutual, Tacoma, Wash.; Howard Patrick, Equitable Society, Los Angeles; Walter H. Peck, John Hancock, Dallas; John Pennington, State Mutual, Buffalo; Albert F. Pfaff, Equitable Society, Burlingame, Cal.; John Phillips III, New England Life, Memphis; Myer Pins, Empire Life, Montreal; Harold E. Pryor, Ohio National, Lorain, O.; Rea H. Quackenbush, Connecticut General, Ft. Lauderdale.

Fred B. Ramsay, Manufacturers Life, Corvallis, Ore.; Robert J. Randall, Kansas City Life, Pittsburgh; Paul R. Raskin, New York Life, Norfolk; Max E. Robkin, Mutual of New York, Atlanta; Clarence A. Ross, Security Mutual of Binghamton, N. Y., New York City; John R. Ryan, Connecticut General, Hibbing, Minn.; Julian Schlesinger, Sun Life of Canada, Johannesburg, South Africa; Albert G. Schmerge, Mutual Benefit Life, Cincinnati; Darold L. Schorlig, New York Life, Eureka, Cal.; Carl Schorr, Mutual Benefit Life, New York; Carey Selph, South Coast Life, Houston; Michael Sender, Sun Life of Canada, Johannesburg, South Africa; William M. Shelton Jr., New England Life, Los Angeles; Everell A. Smith, New York Life, Sycamore, Ill.; Robert J. Spooner, Equitable Society, Appleton, Wis.; Rudolph F. Stegemann, Northwestern Mutual, Blue Point, N. Y.; Ben Stoner, Connecticut General, Cincinnati; Percy A. Stradling, Manufacturers Life, Vancouver; Lloyd O. Swanson, National of Vermont, Minneapolis; Charles C. Sylvester Jr., South Coast Life, Houston; Louis J. Teall, New York Life, Rochester, N. Y.; William H. Upham, Northwestern Mutual, Milwaukee; Arthur H. Wallace, New York Life, St. Louis; Henry I. Watanabe, New York Life, Los Angeles; Donald H. Waterhouse, Mutual Benefit Life, Bos-

ton; Herman Watson, Franklin Life, Ft. Payne, Ala.; H. L. Wilson Jr., New England Life, Minneapolis; Minor E. Woodall Jr., Equitable Society, Guntersville, Ala.; Harry E. Worman, Northwestern Mutual, Dayton, O.

Qualifying, first time

Herbert M. Ackerman, United States Life, Cleveland; D. G. Addison, New York Life, Hollywood, Cal.; H. M. Adelstein, Crown Life, Montreal; C. A. Allen, New England Life, Manchester, N.H.; James W. Armitage, North American Life of Canada, Detroit; Hillard J. Aronson, Massachusetts Mutual, Springfield, Mass.; Worth Babbit, New England Life, Santa Ana, Cal.; Robert C. Bade, New England Life, Des Plaines, Ill.; Ronald D. Barbaro, Prudential of England, Windsor, Canada; Edward T. Bardwell, Equitable Society, Milwaukee; Donald G. Barnett, Mutual of New York, Spokane; Joseph T. Barry, Government Personnel, San Francisco; Matthew S. Beasley, Mutual of New York, Norfolk; William T. Beatty, Northwestern Mutual, Canton, N.Y.; Lyle H. Beek, New York Life, Los Angeles; Timothy E. Bell, Prudential of England, Halifax, N.S.; Michael Benson, Prudential of England, Windsor, Canada; Bernard D. Bercuson, Northern Life of Canada, Montreal; Harry H. Berger, Sun Life of Canada, St. Louis; Jack E. Bess, Massachusetts Mutual, Paris, Ill.; Edwin S. Beveridge, Mutual Benefit Life, Mansfield, O.; Francis P. Blake, New York Life, Wyandotte, Mich.; James D. Bligh Jr., Pilot Life, Washington, D.C.; Woodrow B. Bolton, United American, Macon, Ga.; J. D. Bond, Massachusetts Mutual, Robinson, Ill.

John O. Boner, Mutual Benefit Life, Indianapolis; Lee Bonnell, Massachusetts Mutual, Studio City, Cal.; Clifford K. Brauff, Bankers Life of Nebraska, Ephrata, Wash.; William J. Braun, Massachusetts Mutual, Decatur, Ill.; B. B. Brice, Mutual Benefit Life, Birmingham; Nelson Broms, John Hancock, New York; B. G. Brown, American Founders, Plainview, Tex.; Ivan R. Brown, New England Life, Houston; Gilvin C. Broxson, Equitable Society, Midland, Tex.; George W. Bryce, United Services, Lebanon, Pa.; Emil A. Budnitz Jr., Provident Mutual, Baltimore; Bruce W. Buehler, New England Life, Great Bend, Kan.; Robert E. Bussard, Equitable Society, Tallahassee; William C. Campbell, John Hancock, Huntington, W. Va.; John B. Carlin, Aetna Life, Detroit; John W. Carrothers, Massachusetts Mutual, San Francisco; Max L. Cartmill, National of Vermont, San Diego; Charles Chris, Bankers Life of Nebraska, Detroit; Robert E. Clancy, Massachusetts Mutual, Newark; David J. Clark, Northwestern Mutual, Milwaukee; Charles B. Countrymen, New York Life, Arlington, Va.; James E. Craft, Massachusetts Mutual, Chicago; W. Winfield Crawford, Great Southern, Birmingham; Malcolm D. Cunningham, Northwestern Mutual, Hutchinson, Kan.; Charles Dann, Massachusetts Mutual, Chicago.

Bernard Darling, Northwestern Mutual, Green Bay, Wis.; Chuck Davey, Prudential, Detroit; William W. Davidson, Equitable Society, Arlington, Va.; Leonard Davis, Provident Life & Accident, Los Angeles; S. N. Day, New York Life, Hackensack, N.J.; Thomas L. Dickey, New York Life, Wilmington, Del.; Thomas P. Dore, Berkshire, Detroit; Robert Douglas, Manufacturers, Hamilton, Ont.; Carl N. Drake, Jefferson Standard, Topeka; Andrew C. Dudish, United American, Atlanta; J-P Duncan, Jefferson Standard, Marshall, Tex.; Manford Easley, New York Life, Brookfield, Mo.; C. Frank Eastman, Connecticut Mutual, Wilkes-Barre; Edwin M. Ellman, Canada Life, Columbus, O.; Paul M. Eskew, Equitable Society, Phoenix; Thad H. Farmer, Phoenix Mutual, Oklahoma City; Herman Feldman, Massachusetts Mutual, Philadelphia; Jack Felker, New England Life, Atlanta; Dane Fergus, General American, Osceola, Ark.; Robert E. Finch, Equitable Society, Mobile; Walter S. Fleenor, New England Life, Knoxville; B. H. Fleetwood, United Founders, Muskogee, Okla.; Leslie Fortune, Massachusetts Mutual, Memphis; Ben Frankenberg Jr., New York Life, Chicago; John W. Fraser, Union Central, Duluth, Minn.

Albert C. Friedman, Massachusetts Mutual, Philadelphia; Joseph J. Geraci, Aetna Life, Buffalo; Herbert W. German, New York Life, Fullerton, Cal.; Frank L. Gillis, Security Mutual of Binghamton, N. Y., New Haven; Robert H. Glass Jr., Minnesota Mutual, Albuquerque, N.M.; Frederic G. Goldman, Mutual Benefit Life, New York; Charles Goodman, New York Life, New York; Robert E. Goodman, New England Life, New York; E. Lester Goodrich, New England Life, Boston; Ernest W. Goodwin, Minnesota Mutual, Albuquerque, N.M.; Wayne A. Graham, Equitable Society, Salisbury, N.C.; Joseph S. Graves, General American, St. Louis; A. Robert Groenke Jr., Mutual Benefit Life, Cincinnati; Albert F. Groenke, Mutual Benefit Life, Cincinnati; Sidney Grossman, Life of America, Philadelphia; Sol Gutow, New York Life, Chicago; Clifford H. Hall, John Hancock, Kansas City; Robert Y. Hand, Equitable Society, San Diego; B. Hanks, Great Southern, Hobbs, N.M.; J. P. Hanks Jr., Provident Life & Accident, Miami; Eugene G. Hansen, Kansas City Life, Corvallis, Ore.; James S. Harding, Northwestern Mutual, Portland, Ore.; W. Alfred Hayes Jr., independent, St. Louis; G. Archie Helland, Connecticut Mutual, San Antonio; Jack Hensley, General American, St. Louis.

Alfred E. Hill, Prudential, San Francisco; James M. Hill, Equitable Society, Lincoln; John E. Hill, Massachusetts Mutual, Beverly Hills; John B. Hinton, New York Life, Gary, Ind.; Dale R. Hockstra, Equitable Society, Detroit; William R. Howson, Mutual Benefit Life, Saginaw, Mich.; Buckley Hubbard Jr., New England Life, Erie, Pa.; Howard R. Hughes, United American, Atlanta; Ernest M. Hurley, Equitable Society, Flint; Harry D. L. Johnston, Massachusetts Mutual, Warren, O.; Arnold Kahn, New York Life, Brooklyn; Edward S. Kaplan, Prudential, Toms River, N.J.; Martin A. Katovsky, New York Life, Cleveland; John W. Kaufman, Northwestern Mutual, New York; Milton L. Kay, Massachusetts Mutual, Boston; Wilbur C. Keefer, State Farm, Minneapolis; George Kelly, Equitable Society, Washington, D.C.; Charles A. Kench, National Life of Canada, Toronto; Arthur C. Kenison, New England Life, Boston; John D. Kennedy Jr., Penn Mutual, Kansas City; Mason Klinck, New England Life, New York; Martin E. Kohn, Fidelity Mutual, Philadelphia; Herman M. Korbholz, Equitable Society, Stockton, Cal.; Matthew R. Kornreich, independent, New York; Sidney P. Kretlow, First Pyramid Life, Columbus, Ga.

Lee J. Lalli, Penn Mutual, Salt Lake City; James T. Lambdin III, Equitable Society, Chicago; Clayton M. Lanier, New York Life, Honolulu; J. Arthur LaRocque, Travelers, Montreal; William G. Leitch, Provident Life & Accident, Ft. Lauderdale; George F. Lemble, Provident Mutual, Ann Arbor; Carl M. Leonard, Guarantee Mutual, Tulsa; Mervyn F. Lewis, Great-West Life, Grand Prairie, Alta., Canada; Julius Libanoff, New York Life, Chicago; George Liebkemann Jr., Massachusetts Mutual, New Orleans; George E. Lightcap, United Services, Manhattan, Kan.; Walter G. Locke, Mutual Benefit Life, Cleveland; Aquilla McAllister, Mutual Savings Life, Pensacola; J. Raymond McDonald, American Founders, Houston; J. C. McLendon, Jefferson Standard, Pensacola; Miles W. McNally, Massachussttts Mutual, Minneapolis; John D. Macdonald, New England Life, Miami; L. J. MacKool, General Life, Little Rock; Howard A. Malin, Fidelity Mutual, Oakland; James O. Marshall Jr., Massachusetts Mutual, Lewes, Del.; W. G. Matchette, Aetna Life, Wichita; Richard T. Metheny, Fidelity Mutual, Pittsburgh; Richard L. Mineweaser, Equitable Society, Pontiac, Mich.; Gabriel Minotta, Prudential, Los Angeles; Frank Monroe, Mutual Life of Canada, Montreal.

Carl E. Moody, Penn Mutual, Detroit; Thomas S. Morgan, Prudential, Honolulu; Louis H. F. Mouquin, Equitable Society, New York; Gene G. Mundy, Equitable Society, Dallas; Kenneth P. Newbern, United American, Athens, Ga.; A. Newman, Guarantee Mutual, Akron; John L. Noppenberg, Massachusetts Mutual, Miami; Theodore A. Olson, Equitable Society, Salt Lake City; George S. Ono, New York Life, Los Angeles; Edward M. Ostendorff, Massachusetts Mutual, Charleston, S.C.; Varnell O. Padgett, Equitable Society, Oakland; Hamilton V. Patterson, New York Life, Saginaw, Mich.; George D. Pauly, State Mutual, Cincinnati; Ferdinand Phillips Jr., Equitable Society, Norfolk; Gary Pickard, Pan American of Mexico, Mexico, D.F.; William K. Pierce, Northwestern Mutual, Elgin, Ill.; Branko T. Popovich, United Services, Sacramento; George C. Powell, New England Life, Dallas; Thomas H. Pritchard, Phoenix Mutual, Washington, D.C.; John M. Protiva, Mutual of New York, Milwaukee; Robert Pugh, Standard of Oregon, Salt Lake City; R. Bradshaw Pulley, Equitable Society, Virginia Beach, Va.; Mack J. Quinlivan, New York Life, Cleveland; George Racenstein, New York Life, New York; Harry M. Rafsky, Government Personnel, San Diego.

William M. Rakow, United Services, Jacksonville, N.C.; Guy D. Randolph Jr., New England Life, Cincinnati; Jules G. Reich, Lincoln National, Los Angeles; Robert M. Remick Jr., Connecticut Mutual, New York; Samuel E. Richards, Equitable Society, Detroit; Richard B. Ripley, New England Life, New York; Mario Rivera, Confederation Life, Havana, Cuba; Mel F. Ross, Equitable Society, Dayton, O.; David Rotish, North American of Canada, Toronto; Harry W. Rowlings, Crown Life, Toronto; I. A. Ruman, John Hancock, Los Angeles; William G. Samanchik, Home Life of New York, East Orange, N.J.; Neal W. Sandy, Massachusetts Mutual, Tallahassee; Tony Sansone, New York Life, Chicago; Frederick A. Savage Jr., New England Life, Baltimore; Nelson W. Schlaff, Travelers, Detroit; Ben Scop, New York Life, Lakewood, N.J.; James W. Scott, Beneficial Life, Lynwood, Cal.; Charles E. Seim, New York Life, Spokane; Malcolm E. Selby, United Services, Tucson; Turner R. Sharp, United Services, El Paso; J. Sigmund, New York Life, Columbus, Ga.; Arthur Silver, New York Life, Chicago; Bruce E. Silverman, Massachusetts Mutual, St. Louis; Philip S. Sirianni, Connecticut General, Los Angeles.

F. McKey Smith, Jefferson Standard, Washington, D.C.; W. Eldridge Smith, Equitable Society, Franklin, Va.; William J. Smith, New York Life, Buffalo; Ray C. Sparks, Phoenix Mutual, Indianapolis; Theodore H. Spring, New York Life, Gulf Breeze, Fla.; Marvin R. Steklof, Massachusetts Mutual, Rochester, N.Y.; Kimsey R. Stewart, United American, Atlanta; Richard E. Struble, Equitable Society, Ft. Lauderdale; James G. Summers, New England Life, Boston; M. Greely Summers Jr., New England Life, Boston; Clarence E. Swartz Jr., New England Life, Whittier, Cal.; Byrum W. Teekell, Lincoln National, Shreveport, La.; William F. Temple Jr., Mutual Benefit Life, Tulsa; Richard A. Teninga, Massachusetts Mutual, Chicago; Martin H. Thompson, Fidelity Union, Odessa, Tex.; Robert E. Tipping, Provident Mutual, Detroit; Donald E. Toomey, New York Life, Oakland; Thomas M. Tormey, Mutual Benefit Life, Syracuse; Jesse M. Tucker, Equitable Society, Richmond; Ernest B. Tufts, Prudential of England, Digby, N.S.; J. Darrell Turner, Mutual Benefit Life, Los Angeles; C. E. Tussey, Massachusetts Mutual, St. Louis; Gordon Tyler, General American, Tulsa; Samuel B. Urso, Penn Mutual, Clarksburg, W. Va.; William A. Wadsworth, Travelers, Traverse City, Mich.

Richard J. Wagner, Aetna Life, San Francisco; Harold P. Warren, New York Life, Savannah, Joseph D. Wasserman, Franklin Life, Jersey City; Richard A. Watkins, Equitable Society, Marietta, Ga.; E. Clare Weber, New England Life, Cleveland; Morris Westerman, New York Life, Red Bank, N.J.; Allen White, New York Life, Chicago; Charles W. White, New York Life, Rochester, N.Y.; Murray White, Aetna Life, New York; William

(CONTINUED ON PAGE 33)

X-17 Table Hot Topic at Actuaries Meeting

(CONTINUED FROM PAGE 19)

ings more frequently, F. T. Beasley, Equitable of Iowa, concluded that the mere charging of a temporary extra premium will not necessarily reduce the frequency of the requests for removal of rating. Mr. Brodie said a study made by Equitable Society indicated that the extra premium on a temporary basis for many types of risks were much higher than they considered acceptable.

In the discussion on pension and profit-sharing, R. M. Peterson, Equitable Society, expressed his belief that split fund arrangements arose because of the insurance companies' efforts to prevent existing group annuity business from going completely to trust funds.

G. N. Calvert, Alexander & Alexander, has found split funding to be well received by both employes and employers.

H. L. Feay, Marsh & McLennan, pointed out that split funding requires the payment of expenses to two investment agencies and this will add to the investment cost.

D. B. Warren, Nelson & Warren, mentioned that a new development in the trust fund yield is to pool small trusts for investment purposes, giving more flexibility in types of investments.

• • •

S. J. Kingston, National Life of Vermont, elaborated on the guarantees and supervision provided by a deposit administration fund which are not present in an uninsured fund.

Stefan Hansen, Great-West, said that recent pension plans written by his company indicate a trend away from compulsory retirement at 60 and 65 to some higher age with permissive retirement at the earlier age.

J. P. Stanley, Wyatt Co., pointed out that several major unions are going in opposite directions with respect to their bargaining on compulsory or flexible retirement.

J. A. Attwood, Edwin Shields Hewitt & Associates, made reference to a new book entitled *Flexible Retirement,* which he advised all those interested to read.

C. L. Trowbridge, Bankers of Iowa, pointed out that heavier mortality of recent pensioners under union negotiated plans can be fallacious because of the distortion caused by the early retirement of unhealthy people.

Mr. Calvert said Alexander & Alexander has found that profit-sharing plans have worked out unsatisfactorily as a substitute for pension plans.

Mr. Warren said past service benefits cannot possibly be handled by a profit-sharing plan for employes close to retirement age.

• • •

H. Rosser, Meidinger & Associates, gave an example of an employer that had recently changed from a profit-sharing to a pension plan.

M. L. Grover, Johnson & Higgins of California, presented the possibility of using a pension plan for past service benefits and profit-sharing plan for future service benefits.

C. E. Nelson, Nelson & Warren, said that it is impossible to set down minimum standards to achieve satisfactory averaging of mortality under uninsured plans because of the overlapping effect of the various factors involved.

Mr. Feay suggested that insurance companies offer a pooled contract for small deposit administration funds to get satisfactory averaging of mortality.

R. L. Millman, pension and group consultant, mentioned several reasons, other than actuarial, which may cause an employer to prefer to use a trust fund rather than an insurance company for a pension plan.

R. G. Deas, Prudential, gave figures which indicate the contingency reserves necessary to anticipate fluctuations in mortality for various sizes and types of pension plans.

• • •

L. G. Logan, Continental Assurance, expressed the opinion that fixed value investments still retain many advantages for the profit sharing plan.

In the discussion of general topics, F. J. Onstine, Occidental of California, reported his studies indicated that agents' earnings were not adversely affected by the sale of term policies and term riders. He pointed out the importance to a good agent of having an adequate term portfolio.

The problems and results of developing a financing plan for new agents was discussed by H. S. Gardner, New England Life.

Improvement in interest rates has resulted in some reductions in annuity rates. P. T. Harkness, Jr., Connecticut Mutual, and T. H. Dancy, Manufacturers Life, outlined the recent reduction in annuity rates by their companies.

The trend to higher first year cash values has developed primarily to aid in the sale of bank-loan, split-dollar and business insurance situations. R. T. Jackson, Phoenix Mutual, pointed out that a reduction in first year commissions with a corresponding increase in renewal commissions would be one method by which high first year cash values could be developed.

C. W. McMahon, Union Central, agreed that altering the incidence of commission payment would be an important factor in providing high first year cash values. He also described a number of the dangers inherent in such cash values.

• • •

J. C. Maynard, Canada Life, questioned whether adjustment of field compensation to suit a special form of sales presentation was desirable.

J. S. Thompson Jr., New York Life, discussed the need to have available for issue to applicants at advanced ages policies covering medical expense as well as life insurance. He brought out some of the underwriting considerations involved in issuing insurance to older people.

F. G. Whitbread, Lincoln National, said that in his company the number of life insurance policies issued at ages above 65 had increased substantially in recent years. T. H. Dancy, Manufacturers Life, confirmed that the demand for substantial insurance at these higher ages exists and indicated that, so far, mortality experience on such policies in his company had been satisfactory.

The possibility of introducing elective subjects in the actuarial study program was discussed by M. D. Miller, Equitable Society, and Walter Shur, New York Life. Both felt that the study course should emphasize fundamentals rather than specialties. They also described the grading problems brought about by the use of elective subjects in the examinations.

At the small-company forum considerable interest was shown in the family policy. M. J. Kent, Interstate,

stated his company has three such policies—one each for ordinary, monthly debit ordinary and industrial. The ordinary policy has a substantially larger minimum than the others and has not resulted in as large a volume of sales. His personal view was that the best opportunity lies in the monthly-debit ordinary field and remarked that 80% of the company's applications have been on persons who had no other insurance.

According to J. W. Hahn, Great Southern's family policy provides $5,000 insurance on the husband, $1,000 on the wife and children and in addition provided an endowment benefit at age 65 in the amount of $716. This provides paid-up life insurance on the wife if the husband predeceases her and $1,000 paid-up insurance on the husband if he survives to 65.

F. P. Chapman described Metropolitan's policy, which consists of $5,000 endowment at 85 insurance on the husband, $1,250 term insurance to age 85 on the wife, term insurance to age 25 on the children and $500 pure endowment at age 85 on the wife. He described the great number of tests Metropolitan made involving various combinations of ages to make certain the values were staisfactory.

• • •

Other speakers on this type of policy included E. F. Estes, Bankers of Nebraska; Lyle Barnhart, Fidelity Life Association; M. Dezube, Manhattan Life; R. H. Goebel, Northwestern National; J. A. Smith, Excelsior Life; J. L. Glenn of Bowles, Andrews & Towne, and W. M. Stewart, Central Standard. Most of the speakers reported a substantial increase in business attributable to this policy, one company showing 54% by number and 44% by amount.

In discussing reinsurance J. F. MacLean, Bankers of Nebraska, remarked that the retention limit adopted by a small company is often affected by the emotional attitude of the trustees or directors towards violent fluctuations in earnings. He feels that a company should not reinsure more than about 5% of its business. H. A. Winters, National Old Line, pointed out that the fact reinsurance does not extend to settlement options and provides no protection to a small company against possible losses from this provision.

W. R. Mullens, Business Men's; A. L. Buckman, Beneficial Standard; J. C. Wooddy, North American Reassurance; G. A. MacLean, Standard of Indiana, and F. J. Onstine, Occidental of California; also contributed to the discussion of this subject. While they generally felt that reinsurance on the yearly renewable term basis would cost about the same as coinsurance in the long run they felt that for policies with a large minimum amount and on an inexpensive plan that coinsurance was preferable. Certainly the immediate margins available are much larger on the coinsurance basis, which is a decided advantage to the smaller ceding company.

• • •

Discussing mortality measurement, W. J. Davidson Jr., Pan-American Life, said even a smaller company can effectively measure its mortality by combining several years of experience. He described his company's method. One possible adverse influence could be the limited geographical area in which smaller companies operate.

L. S. Norman, American United, restated the inappropriateness of using the mortality ratio from the gain and loss exhibit to represent a company's experience. In regards to variations in mortality by sex, he stated a greater percentage of female business could significantly reduce the combined results.

Mr. Estes gave the Bankers of Nebraska method of measuring its mortality, which is done periodically and graduated tables produced for comparative purposes. He felt that comparisons of a small company's mortality to that of other small companies would yield no significant information.

W. M. Stewart, Central Standard, emphasized the cost of mortality measurement in a smaller company somewhat limits its activity in this field. He also said the gain and loss exhibit mortality ratio has some limited use for intra-company comparisons, provided a mixed mortality standard does not distort the results too greatly. Any policies that have special underwriting requirements should be removed from an investigation to maintain homogeneous data.

R. P. Walker, Wisconsin National, explained a brief method used by his company to measure its mortality annually.

Gertrude A. Schlachter, Colonial, said variations in age, medical requirements, etc., make it impossible to realize valid inter-company comparisons of small companies.

In the discussion on accounting and related problems, C. H. Connolly, Southwestern Life, gave examples of mechanizing annual statement work by obtaining deferred premiums and information for schedules D, part 1, and schedule E. His company does not prepare interim statements, as such, but only a periodic profit estimate which is determined without the use of an interim reserve estimate.

G. P. Archer, Southland Life, stated that interim statements are needed primarily to determine estimated profits. His company uses the customary "analysis of reserve increase" formula to estimate the interim reserve which has proved very accurate when applied to the year-end valuation.

J. H. Miller, Monarch Life, described his company's method of obtaining deferred premiums.

R. E. Larson, Benefit Association of Railroad Employes, described his company's method of mechanizing annual statement work which has resulted in statement figures very soon after the year end.

R. H. Niles, Standard of Oregon, stated his company has been using a budget for the past 10 years because it requires more careful planning by the executives and tends to effect greater control of expenses.

W. H. Aitken, Empire Life of Canada, said his company has found revenue accounting easily adaptable to its operations. He has found the budget to be most useful in the short term, and not so valuable in the long range operations of the company.

Insurers Must Decide Now Whether to Enter Multiple Line: Lawton

In view of the growing trend toward multiple line companies, life and casualty insurers must decide whether they will continue with their single lines or move into all types of coverage. There is no middle road because once a company decides to write one additional line there will be a demand for more.

That was the opinion of G. Albert Lawton, president of Security-Connecticut group in a talk to Southeastern Actuaries Club in Nashville.

A casualty company with a life affiliate will gain some tax advantages, provide broader service to local agents and, if its life insurer employs fulltime men, operate more uniformly in times of financial stress. It will obtain lower costs in developing agencies and bring more men into the business on a self-sustaining basis, Mr. Lawton said.

Special problems facing a casualty and life company include division of effort in developing programs for both lines, difficulty in determining costs attributable to each operation, need for local agents able to serve wider fields, possibility that a financing program for life might end up financing a fire and casualty program, and resistance from some agents who do not like the program due to a loss of independence in brokering their business.

Mr. Lawton said the life company in his 3-company operation would engage a limited number of fulltime men in order to build a more evenly producing agency force. Although the local agent is an important man in the community, he does not produce a substantial volume of life business in times when selling becomes difficult. In difficult times, fulltime life agents work doubly hard to keep up their production and standard of living.

Honolulu Agency Wins Pacific National Honors

The William Y. Horie and Walter T. Takiguchi general agency of Honolulu has won the Pacific National Life president's cup for 1956 for "paramount achievement in production, manpower, improvements and over-all agency excellence." While winning the cup for the eighth consecutive year, the agency's insurance-in-force figure approached $24 million. Top honors for an individual agent was won by George I. Teshima of the agency, who was proclaimed man-of-the-year for 1956, the third time he has received that award. Mr. Teshima produced over $660,000 paid-for business during the year.

The awards were presented at the company's annual convention, June 16-19, at Santa Barbara Biltmore hotel at Montecito, Cal. Officials of Matson Assurance, subsidiary of Matson Navigation Co. which recently purchased Pacific National Life, also was presented at the convention, and Matson's group life and A&S plans were introduced to Pacific National field men to become part of their selling portfolio.

HOME OFFICE CHANGES

Prudential

Robert F. Welsh has been promoted to manager of the ordinary new business division at Prudential's Minneapolis regional home office. He joined Prudential as an A&S underwriter in 1951 and has been underwriting consultant in the ordinary new business division since 1954. In another promotion, J. Winston Jones, mortgage loan reviewing appraiser, has been named mortgage loan analyst in the mortgage loan and real estate investment division. H has been with the company since 1948.

Daniel F. Becker, manager of public relations and advertising at Prudential's Chicago regional home office, has been appointed director of public relations at the company's Boston regional home office. He joined Prudential in 1948 and in 1954 was promoted to editor and advertising manager at Chicago.

Frank D. Cubello and **R. Graham Deas** have been elected assistant actuaries in the group pension department. Mr. Cubello joined Prudential in 1933, was promoted to chief group annuity consultant in 1950 and to associate actuarial director in 1954. He is a fellow of Society of Actuaries. Mr. Deas joined Prudential in 1952 as a chief actuarial assistant, was promoted to assistant actuarial director in 1954 and to associate director six months later.

Lincoln National Life

John R. Williams has been named assistant actuary of the group insurance department of Lincoln National. He joined the company's actuarial department in 1942 and moved to the group department as supervisor in the actuarial division in 1951. He is an associate of Society of Actuaries.

Lincoln National also has made one appointment and three promotions recently in its reinsurance department. **Galen D. Winter** has been appointed supervisor, and **D. R. Mahlon** and **Carl Thiele** have been promoted to supervisors from positions as reinsurance assistants. **W. T. McNabb** has been promoted from correspondent to reinsurance assistant. Mr. Mahlon has been with the company since 1951, Mr. Thiele since 1949 and Mr. McNabb since 1956.

Republic National Life

Republic National Life has made two major personnel changes in its group division to accommodate expanding group services. **Jack W. Schmidt** has been named vice-president and manager of a new credit life department in the group division. He joined the company in 1956 after 17 years of group insurance experience. **Milton W. Roaf** has joined the company as vice-president and sales manager of the group division. He has been in the life business since 1948.

Jack W. Schmidt

Milton W. Roaf

Massachusetts Mutual

Spencer W. Moore has been named manager of the income settlement department and **Arthur N. Nichols** has been named methods coordinator of the planning department. Mr. Moore joined Massachusetts Mutual in 1929 and was named assistant manager of the income settlement department in 1954. Mr. Nichols joined in 1950 and was appointed a methods analyst in the planning department in 1954.

New England Life

Richard T. Messinger has been appointed assistant director of field training for brokerage development and **Demetrius C. Pilalas** has been named director of agency operations and finance. Mr. Messinger has been brokerage supervisor at Boston. Mr. Pilalas was formerly a C.P.A. with a Boston tax consultant firm.

Acacia

James Weikel Jr. has been elected secretary. He joined Acacia's home office 32 years ago, for the past several years has been supervisor of the policy-underwriting department and has been assistant secretary since 1951. He has been secretary of the underwriting committee since 1948.

Selective Life of Montgomery

Robert B. Fain, Montgomery realtor formerly with Prudential and National Life & Accident, has been elected president and reelected chairman. Also elected were **J. L. Lavallet,** executive vice-president; **Dr. Louis L. Friedman,** vice-president and medical director; **William F. Andrews Jr.,** secretary and treasurer, and **J. M. Jones,** general counsel. Dr. Friedman, Mr. Andrews, Mr. Jones and **Bernard Lewis** were elected directors of Selective Life.

Paul Revere Life

Willard H. Wyeth has been named manager of research. He has been in the personnel and planning departments of Paul Revere and Massachusetts Protective for seven years.

Allstate Life

Byron K. Anderson has been appointed sales director of the newly organized Allstate Life. He has 22 years of experience as an agent, agency supervisor and general agent for Equitable Life of Iowa and currently is president of Cedar Rapids (Ia.) CLU chapter and vice-president of Cedar Rapids General Agents & Managers Assn. Allstate Life will start selling life policies in Illinois late this summer.

Joseph C. Kosid, former life underwriting manager for Mutual Service Life of St. Paul, has joined the underwriting staff of Allstate Life. Mr. Kosid began his insurance career as an underwriter with Monarch Life of Canada.

Berkshire Life

George C. Denny has been elected underwriting secretary in charge of the new business department. He entered the business with Union Mutual Life in 1946 and joined Berkshire Life as supervisor of new business in 1952. He was appointed assistant underwriting secretary last October.

Life of North America

Edwin H. Marshall has been elected A&S secretary of Life of North America and Indemnity of North America. He joined Indemnity as an underwriter at New York in 1942 and has been assistant secretary of the A&S department since 1953.

Rex H. Anderson has been named vice-president in charge of marketing, effective July 1. He will be responsible for Life of North America's market research, product development and life, group and individual A&S merchandising. For the past year he has been assistant vice-president of New York Life in charge of sales development for the life, A&S, brokerage, small group and salary allotment programs. He entered the business as Minnesota group representative of Washington National in 1941 and took charge of sales promotion for the general agency department in 1948. He joined Great-West Life as supervisor of sales promotion in 1950 and went to St. Louis as agency supervisor in 1952. He joined New York Life as director of A&S sales in 1953 and became director of sales promotion for ordinary insurance in 1955.

Rex H. Anderson

Jefferson Standard Life

Jack Ray, agency vice-president of Jefferson Standard Life, is resigning from the home office staff to open up the state of Florida for the company.

Security Benefit Life

Ralph G. Lewis has retired as chairman of Security Benefit Life and has been succeeded by **J. H. Abrahams,** who will continue to serve as president. Mr. Lewis, who joined the company in 1911, will remain as a member of the board. He became assistant to the president in 1940, vice-president in 1945, president in 1953, and chairman in 1954. Mr. Abrahams has been president since 1954.

CITIZENS LIFE OF N. Y.—Murry C. Becker, New York City lawyer, has been elected to the board.

Are N. W. Natl. Agents

A. L. Kadlec and Carl Burgess, newly-elected president and secretary, respectively, of Montana Assn. of Life Underwriters, are agents for Northwestern National Life at Missoula. They were erroneously reported as representing other companies in a previous issue.

George B. Gordon, director of advanced underwriting services for Mutual Benefit Life will address a dinner meeting of the Milwaukee Life Insurance and Trust Council at the Milwaukee club Monday, June 24. His topic will be "Close Corporation Interests in Estate Planning."

FIELD CHANGES

Equitable Society

Kenneth H. Holmes has been named cashier at Providence. He entered the business with Equitable Society as a clerk in the Boston cashier's office in 1930 and has been assistant cashier at Springfield, Mass., since 1953.

Connecticut General

Frederick G. Carpenter has been named manager of the Memphis brokerage agency. Appointed assistant managers are **C. Stephen Babbitt Jr.**, Indianapolis; **Willis M. Partridge Jr.**, Boston brokerage agency, and **Thomas S. Shea**, San Francisco. Mr. Carpenter has been assistant manager at Memphis. He joined Connecticut General in 1947, first as a group representative in New York City and later as district group manager in St. Louis. Mr. Babbitt joined the company in 1946 and has been a staff assistant at Indianapolis. Mr. Partridge has been a technical consultant for general insurance men in Boston since joining the company in 1956. Mr. Shea, with the company since 1954, has been a staff assistant at San Francisco.

Travelers

Edward A. Courter Jr., has been appointed district group supervisor at New York City and **Ernest C. Johnston** has been named district group supervisor in charge of group operations at Milwaukee. Mr. Courter joined Travelers' group field division in 1948 and has been district group supervisor at Milwaukee since 1953. Mr. Johnston also joined the group field division in 1948 and has been district group supervisor at South Bend since 1956.

Republic National Life

James W. Kelley has been appointed manager at San Antonio for Republic National Life. A former school teacher, Mr. Kelley started in the life business at Evansville, Ind. in 1954.

Continental Assurance

Two appointments in claims and pensions have been made by Continental Assurance in its Pittsburgh office. **William C. Shafer** has been named pension manager and **Daniel F. Marcquenski** is the new claims manager. Starting as supervisor in the policy issue section of the retirement and special plans department, Mr. Shafer has been in pension plan work for the past five years. He has been servicing the Pittsburgh area since 1955, operating out of the home office. Mr. Marquenski has been with Continental's claim department since 1954, handling group and ordinary claims.

Gerald T. Cooney has been appointed general agent at Denver, the second general agency to be established by Continental Assurance in that city. A former college professor, Mr. Cooney is an estate planning specialist.

Prudential

Howard Minser, former district manager at Tucson, Ariz., for Prudential, has been appointed manager of the company's Red Rock district at Denver. He is succeeded in Tucson by **Daniel J. Mulholland.** Mr. Minser joined Prudential in 1940 at Los Angeles and served with the company at Phoenix and Tucson before being named manager at Tucson in 1954. Mr. Mulholland joined Prudential in 1947 in Atlantic City, N. J., and before his appointment as manager at Tucson was at San Bernardino, Cal.

Gerald A. Wasson has been named manager of the new Fullerton, Cal., district agency. He formerly was associate manager of the Santa Ana, Cal., district. Mr. Wasson joined Prudential in 1939 at Santa Ana.

Howard Watkins, with Prudential at Lafayette, Ind., has been promoted to manager at Kokomo. He joined the company in 1943.

Clifford E. Rouse, formerly staff manager for the Arden district of Prudential at Sacramento, has been named a training consultant for the company. He joined the company in 1950 at San Diego.

Massachusetts Mutual

Ralph J. Brausa has been named manager at Topeka to succeed **Dean S. Kirk**, who recently resigned. Mr. Brausa joined Massachusetts Mutual in 1952 at Mattoon, Ill.

Security Mutual of Binghamton

Robert Edwards has been named general agent at New York with offices at 48 West 48th street. Before his Security Mutual appointment, he was an associate general agent of Manhattan life.

Occidental of California

Carmen V. DeVito has been appointed brokerage manager of Occidental Life of California at Hartford. He has been an agent for New York Life in Hartford for the past two years.

Alan G. Cohn has been promoted to assistant regional group manager for Occidental at San Diego. Mr. Cohn has been sales representative in San Diego since 1955, having gone to San Diego six months earlier from the home office training circuit.

A. Price Hamilton Jr. has been appointed brokerage manager of Occidental Life of California at Birmingham and **Ralph M. Schwenker** has been appointed assistant brokerage manager at St. Louis. Mr. Hamilton has been with New England Life as an agent at Birmingham for the last three years. Mr. Schwenker has been an agent for Phoenix Mutual Life at St. Louis.

Lincoln National Life

James L. Hamilton has been appointed regional group manager for Lincoln National Life at the new group office in Miami. He joined the company in 1956, participating in a training program which included both home office and field experience, and has been serving as a group representative in St. Louis.

Old Republic Life

Robert J. Coxworth has been appointed sales manager of the midwestern division of Old Republic Life and **Thomas J. Ferguson** as midwestern regional manager, both headquartered at the home office in Chicago. **E. Joseph Kane** has joined the staff of Old Republic at the southeastern regional office in Atlanta and **John B. Hall Jr.**, has been assigned as the salesman in the western regional office in San Francisco.

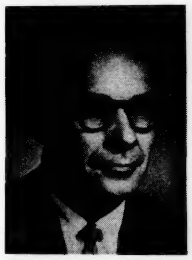
Great-West Life

E. G. Bumstead has been appointed supervisor at the branch office at Kitchener, Ont. Mr. Bumstead has been a life agent in Kitchener for several years.

Liberty Life

Appointed managers in the combination department were **J. H. Blanton**, Hendersonville, N. C., and **B. H. Gardner**, Laurinburg, N. C. Named staff managers in the combination department were **Frank W. Bennett** and **L. N. Griggs**, Darlington, S. C.; **Acton McClellan**, Spartanburg, S. C.; **Wallace H. Pumphrey**, High Point, N. C.; **Lews N. Workman**, Clinton, S. C., and **D. L. Yandle**, Monroe, N. C. Named associate managers in the ordinary department were **Stuart E. Anderson**, Charlotte, N. C.; **C. B. Barry**, Spartanburg, S. C., and **Carroll E. Brooks**, Durham, N. C.

Franklin Life



Norman G. Jones

Norman G. Jones has been appointed general agent at Nampa, Ida. for Franklin Life. Since 1947 he had been with Equitable Society as agent, field assistant, and district manager. Currently he is president of Lower Snake River Valley Life Underwriters Assn.

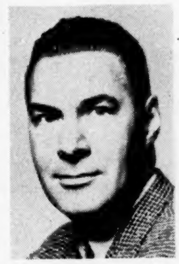
Bankers Life of Iowa

Hugh W. Morris has been appointed agency manager at Billings where he previously was supervisor. He succeeds **E. H. Trandum** who has retired after serving as manager there since 1943. Mr. Morris joined the company in 1956 after being with Northwestern National for eight years.

Bankers Life also has appointed two new group representatives. They are **George W. Jennings** at Los Angeles and **Gordon R. Johnson** at the Des Moines group office. During the past year Mr. Jennings has been a salesman for the company at the San Diego agency office. Mr. Johnston was in the home office group department before his present appointment.

Union Labor Life

Karl C. Weller has been appointed general agent at Philadelphia with offices at room 1004, Fox building, 16th and Market streets. Before joining Union Labor Life, he had been manager of Occidental Life of California and supervisor of Phoenix Mutual. He has been in the business in Philadelphia more than 15 years.



Karl C. Weller

Quaker City Acquires Girard H.&L.

Quaker City Life of Philadelphia has acquired the business and assets of Girard Health & Life of Philadelphia.

A&H Agents Meet; Benett Succeeds Coffey

(CONTINUED FROM PAGE 1)

by an appeal for the new rate by Mr. Coffey. Some opinions were that the $8 rate is not enough.

The proposal for increased dues came after Jay DeYoung, controller, made the annual financial report. It showed a deficit for the past year as a result of increased costs of services and salaries—despite economies exercised in some of the operations—and by decreased receipts in membership dues.

With membership continuing to be a prime problem that prevents the organization from progressing, the association took definite steps toward a solution. Gibson Wright, Continental Casualty, assistant to the president, was named membership chairman and it was decided to employ a membership representative to give full time to building the ranks of the association. This reactivates the plan that was operated for a while two years ago and for which a special membership fund was established by subscription.

• • •

The by-laws were amended to enable the association to increase the number of board members from 21 to as many as 30. This is to provide zone chairmen for areas that have been outside the reach of present zone chairmen. The board members were increased from 18 to 21 in 1956.

A proposal to elect a president-elect each year was not acted upon because it was not placed on the agenda in time to comply with the minimum time requirement of 30 days. Tabled with it was the proposed resolution that had been presented to local associations calling for three vice-presidents instead of two, and the New Jersey association's resolution that four vice-presidents be elected on a regional basis.

E. J. Coffey, outgoing president, in his report for the year, stated he had traveled 41,000 miles since he became president in Miami last year. In that time there have been many accomplishments in public relations, education, membership, legislation, and administration.

In public relations much has been done, he said, and consequently a different attitude has been gained among company executives. In education, a still better job could have been done with the Disability Insurance training council program if there could have been another year in which to develop it before the NALU and LUTC programs got under way.

Membership, he suggested, should be increased among life underwriters who are now writing A&S but who have not been writing it in the past. Membership is definitely tied into the program of legislation. If state and local associations are strong, the legislative committee can do a real job.

• • •

Mr. Coffey warned of the "socialistic trend in our national capital." He cited the formation of the Department of Health, Education, and Welfare, with an appropriation this year of $2.5 billion from taxes—a department that seems to have been formed to be a strong arm in the government. He also cited action of federal trade commission which, he said, was to gain jurisdiction in the A&S field.

Bruce Gifford presented a comprehensive report of his first year as the association's managing director. He pointed first to Health Insurance Council's figures on persons covered and then brought out that the number covered by individual loss-of-income policies has remained at about 15 million the past three years. Producers, he said, should work toward filling the great need for this primary coverage.

• • •

He said the association's program of activity has followed the "positive thinking" formula laid down by President Coffey, which has embraced the four large areas of membership, education, legislation, and public relations. To obtain greater recognition of companies, this program was detailed in a brochure that went to key officers of some 300 leading companies in the business and about 60 responded favorably.

Membership is about the same as last year, although there has been significant activity all around the country. The picture is a little deceptive now because the interest stimulated by Mr. Coffey's travel is just beginning to be noted. Sustaining memberships have been increased from 38 to 67, and associate company memberships stand at 58.

Mr. Gifford reported on the information and public relations bulletin services to members and state and local officers, on the revision of the speakers' bureau roster, on the tape-recording library of inspirational talks, variations of the "choose the plan" directory, and on economies at headquarters which resulted in some reductions in operating expenses.

• • •

Members of the Leading Producers Round Table who qualified in 1956 production elected officers for the first time at the annual breakfast session of that group. Oakley Baskin, Mutual Benefit H.&A., Buffalo, chairman of the LPRT committee, presided at the session, aided by Herbert Sloan, St. Paul Hospital & Casualty, St. Paul.

The first president is Clarence G. Kluckhohn, Mutual of Omaha, Waterloo, Iowa. Ralph V. Matlin, Washington National, Los Angeles, is vice-president, and Carl L. Brandt Sr., Fon du Lac, Wis., is secretary.

Mr. Baskin announced that at the request of members a combination emblem and tie-chain is available to qualifiers at the price of $5, or at $3.50 for the emblem alone.

Vincent J. Monitto, Mutual of Omaha, Burlington, Iowa, answered the question of "What makes a leading producer?" A person must have a combination of attributes and one very important requirement is creative prospecting. This means, for one thing, the expanding of the market to a point where three-fourths of earning power is protected. Competition is good, he declared, and the more there is, the more insurance-conscious people become.

A planned and memorized sales presentation is important, he said. There must be an approach, a problem, a solution, confidence must be gained, and then comes the close. Closing is overabused, because "if you have succeeded in motivating a person, he will buy." People buy by emotions more than by logic he concluded.

• • •

E. H. Magnuson, Federal L.&C., Battle Creek, Mich., who has been chairman of the association's educational committee and who has done a great deal of work on the Disability Insurance Training Council's training course, was made president of the council, succeeding Leonard A. McKin-

non, McKinnon & Mooney, Flint, Mich.

Mr. Magnuson urged officers and delegates of local and state associations to get down to brass tacks in organizing classes to be started in the fall. Mr. McKinnon urged determination and enthusiasm in installing the classes and received a unanimous vote of support from those in attendance. John G. Galloway, director of DITC, proved the value of the instruction by calling for comments on successful experiences with the course.

An afternoon session was set aside as a workshop for officers of local and state groups, particularly the newly elected officers. Loane Randall, executive vice-president, St. Paul Hospital & Casualty, and president of the St. Paul association, drew from that association's experiences in the handling of interesting meetings. Leo E. Packard, Packard-Carson agency, Milwaukee, and secretary of the Wisconsin association, explained many short-cuts in secretarial duties.

James R. Williams, vice-president, Health Insurance Institute, showed the public relations film strip prepared by HII, "People Are Our Business," which considers public attitudes toward health insurance and which has been prepared for people in the health insurance business. It runs for more than nine minutes and is available on a loan basis from the Health Insurance Institute, 488 Madison avenue, New York 22, N. Y.

• • •

In a many-faceted report of observations, prediction, and review, E. J. Faulkner, president, Woodmen Accident & Life, and past president of the Health Insurance Assn. of America, expressed his strong convictions that the business will continue to forge ahead to provide a satisfactory measure of protection for all insurable Americans. "It is my notion," he said, "that the best is yet to be," because the industry is on the threshold of the age of the competent, professional A&S field underwriter.

The tremendous volume of insurance in force implies the overwhelming endorsement of the public, and the record of an increase in premiums of 3,153% since 1933, plus the continuing growth in population and in the American economy, are all grounds for optimism.

Now, too, the industry has Health Insurance Assn. of America, a single strong organization of companies that have in force more than 80% of the business in the U. S. and Canada, and through it the industry also has Health Insurance Institute as a voice of public relations. Mr. Faulkner said he is convinced that if there is to be enlightened government regulation and a better public response, this can come about only when there is understanding at the grass roots, and here, he said, is where men and women of the field families can exert an enormous influence.

From the experimentation characteristic of the business, insurers are increasingly impressed with the importance of the deductible, coinsurance, and fair discrimination in premium rate. Underwriters, he said, can strengthen the structure of voluntary insurance by stressing the importance of insuring against the big risks and explaining how the deductible and coinsurance enable the insurer to provide even better protection at reasonable cost.

Mr. Faulkner said that common sense and the well-being of the business dictate the expansion of sales in group lines as well as in individual coverages. He criticized, however, a seemingly growing tendency to extend them to groups that offer little prospect of satisfactory experience.

Despite medical advances and improved living standards, the disability hazard continues and, in fact, the lengthened life span has intensified the need for protection. Mr. Faulkner concluded by saying that no substitute has been found nor, in his judgment, will be found for the career agent who will meet the challenge of the greatest opportunity in saleswork today.

• • •

The sales advice of Raymond C. Swanson, agency vice-president, Monarch Life, dealt largely with attitudes —those that need to be overcome and those that need to be developed.

Among the first are a poor mental attitude toward the business, which in turn places a poor value on the business, and an attitude of hesitancy in calling on customers and prospects in this "business of people." One quick way to overcome this hesitation is to answer two questions: Why does this person need what I am going to offer, and what objections is he likely to raise?

An important attitude that should be developed is that of thinking and talking in terms of a person's business. He brought out repeatedly the value of explaining benefits and price in terms of that business, to a doctor, for example, in terms of calls on patients, to a grocer or auto dealer in terms of their businesses, rather than in insurance terms.

Instead of selling a policy as personal insurance, sell it as a business expense, even though it might not be a tax-deductible item, and objections that might be normally received can be avoided.

"I believe personally," Mr. Swanson said, "that a renewal commission is not earned at the time of the sale, but is paid for by serving the customer. He is our most valuable asset; we must treat him right."

• • •

Stanley Peterson, agent for Business Men's Assurance, La Crosse, Wis., presented his dramatization of "baking a cake," in which he acted out a dream in which he had forgotten how to prospect and found himself in a bakery. After donning a baker's apron and hat, he started making a cake in which each of the processes and various ingredients represented requirements and sources for prospects.

While mixing the cake's ingredients, he brought out how prospecting is an activity of seeing people and creating the need, which, he said, makes a prospect of almost anyone. Cold canvassing is still a good source, especially in geographic centers and communities where there has been serious sickness or injury.

Policyholders are prospects, including franchise and group clients, also business people, friends, relatives, women, people in professions, home buyers, new fathers, people in new employment.

"I see a lot of people," Mr. Peterson said. "When I see a lot of people, I sell a lot of policies, and when I sell a lot of policies, that puts dough in my pocket."

William H. Gove, vice-president, EMC Recordings Corp., St. Paul, in an inspirational "never-a-dull-moment" talk, shared "just one idea" with a large luncheon audience. The idea, he said, is represented by a word that creates between two people a relation in which both can benefit. "Selling" is not the word because it means conflict, combat. "I think the word we are looking for is swap." It says, "I'll serve you and you'll serve me," or "We'll do this and you'll do that." There is a double responsibility.

The gift of attention is important in swapping, Mr. Gove said. Listening can be good, but it can be overdone. "In my relationship where persuasion is involved, I always listen to the other fellow, but he must listen to me, too. I will swap him." As swapping material for the salesman, he named four gifts: Concession, attention, reassurance, and experience. "In the swap relationship, you must start with you."

• • •

A verbal and visual demonstration of a "Motiv-Piston" mechanism and of the application of good human relations and knowledge was given jointly by William H. Froehlich, manager, Occidental Life, and Dale B. Potts, executive vice-president, Wisconsin Casualty Assn., both of Milwaukee.

They showed how, with the aid, of the piston of burning desire and the oil of human relations, plus the right mental attitude, such a mechanism can be created, and then how it can be put into motion by the spark of enthusiasm. Their message was that "what the human mind can conceive and believe can be achieved."

"The financial security programs you sell must include A&S if they are to be truly complete," declared Charles N. Walker, Lincoln National Life. He likened programs without A&S to a nice new Cadillac without any gas in the tank—it looks nice and costs a lot of money, but it won't get you where you want to go.

People's financial problems are similar—to earn a living and to save money—but also to be considered are

(CONTINUED ON NEXT PAGE)

(CONTINUED FROM PRECEEDING PAGE)

those three hazards that can keep a person from earning and saving money: Disability, death, and old age.

Without income protection during disability, especially long disability, a man's program of financial security against those other hazards, death and old age, is definitely insecure. "As a salesman of security, this is your concern and your obligation, because if it happens to one of your clients you have not done your job properly."

To be sure a man's financial security is complete, first sell him income protection that best fits his needs, and then sell protection against medical expenses. The medical expense protection should be against those expenses that can ruin a man's financial security program, the major expenses as covered by a major medical policy. The chief concern is the total cost, which should be insured from the top down instead of from the bottom up.

Edward H. O'Connor, director, Insurance Economics Society, delivered a message for Dr. Charles W. Mayo of Mayo Clinic, Rochester, Minn., and a director of Mutual of Omaha, who was called back to Rochester before he could appear on the program as planned.

• • •

In the message, Dr. Mayo stated that although he was not an official speaker for American Medical Assn., he knows that both medicine and insurance are working toward a common goal.

The best medical care, he said, is obtained when control lies at the local level. It is not the American way of life to impose a tax to finance insurance with centralized government control. He said he purposely shuns the term "socialized medicine" but there are misguided individuals and groups who would bring about government control.

He gave figures to show the great growth of voluntary insurance coverage in recent years and said that "we have all kept the faith of our professions" and can take pride in the achievements of voluntary insurance.

He noted that there have been differences of opinion between labor organizations and AMA regarding policies and terms of medical care and observed that it is obvious that labor union members are rapidly placing themselves under protective coverage of voluntary insurance in spite of what labor leaders favor.

Five state associations held meetings during the convention: Iowa, Minnesota, Nebraska, South Dakota, and Wisconsin. The past presidents' breakfast, which has become a traditional event of the International conventions, took place on the morning of the final day.

Convention hosts were the Minnesota and St. Paul associations. J. Peter Devine, Occidental Life of Calif., St. Paul, was general chairman of the convention committee which included Walter Bertram, Arne Bruheim, Russell Douglas, Carl A. Ernst, Mrs. Mollie Imm, Mrs. Carl A. Ernst, William Johnson, Robert Lawrence, Terry McGovern, Robert L. Owens, William O. Peterson, Les Randall, Loane Randall, James Robb, Donald Sault, Herbert Sloan and John Symanitz.

The program fare was spiced with entertainment that included a reception in the first evening, sight-seeing, special features for the ladies, refreshment sessions, and on the final night the climaxing banquet and entertainment at which the new officers and the annual Harold R. Gordon "A&H man of the year" award were presented.

Wis. Legislature Passes Credit Life Bill

The Wisconsin legislature has approved a bill giving the insurance department power to regulate what it claimed to be an exorbitant rate of profit in credit life and accident business.

Commissioner Rogan, who requested the action, said there are now more than 500,000 persons in Wisconsin paying for life and accident policies written in connection with loans or in financing automobiles and other commodities and equipment. The bill is now headed to the governor and it is reported that Gov. Thomson is planning to back up Mr. Rogan's charge that credit underwriters are dealing with "captive" buyers who need protection, and the regulatory bill is therefore justifiable.

Mr. Rogan said such borrowers were unwary ones and were more interested in the credit than in the insurance premiums. He gave legislators figures showing a high proportion of commission costs in the premiums and a low ratio of indemnities to premium income.

"It is difficult to contend that we as a state are doing even a moderately effective job when the return on the premium dollar averages only 25 cents year after year on the individual credit life insurance. The commissions paid to the lending agencies on this business exceed the claims paid by a considerable amount," the department said in a memoranda to legislators.

Opens Summer Home to Agents

Solomon Huber, general agent of Mutual Benefit Life at New York, has opened his 10-room summer home at Belleville South, Nova Scotia, to agency associates and their families for two and 3-week periods. The facilities, located on Eel lake, are available at no charge under a vacation schedule arranged with one of the supervisors.

Pacific Actuaries Discuss X-17, Major Medical

(CONTINUED FROM PAGE 8)

coverage of an illness, experience worsened, although theoretically adequate extras for the additional coverage had been included in the premium.

Major medical plans integrated with conventional hospital and surgical plans produced generally satisfactory experience. Serious inadequacies in existing rates were found in east Texas and southern California.

It is going to be necessary to cease to consider that the amount of any claim rendered on major medical coverage is just. Claim organizations must be prepared to determine the reasonableness of an individual claim in the light of prevailing charges in their area and to question its amount if the charges appear moderately unreasonable. The adjustment of claims must be handled very carefully by persons who have a talent for public relations as well as for bringing claims into line. The adjustment of claims is a relatively expensive process and should be provided for in the premium structure.

A continuing education program at local levels over the long term may prove a necessity. This program should be explained to both the providers and the receivers of medical service the nature of the insurance mechanism as one to spread costs. Increased use of services or increased charges for services will invariably be reflected in the premium rates. Accordingly, the insured individual should be as satisfied with the cost and necessity of any treatment he received when he has insurance as he would be if he had not. The same questioning that he might make if he had not had insurance should be applied if he does. Likewise, the provider of medical care should make the same charges whether or not the individual has insurance. Unless this restraint is exercised by both parties, the cost of health insurance could rise so high that the government might well be forced into the medical care business.

672 on Final List of MDRT Qualifiers

(CONTINUED FROM PAGE 25)

M. White, New York Life, Stockton, Cal.; Herbert R. Whitecraft, Connecticut Mutual, Lansing; Joseph C. Whitford, New England Life, New York; Robert E. Wiener, Northwestern Mutual, New York; D. D. Williams, American Founders, Olton, Tex.; J. Tillman Williams, Equitable Society, Huntsville, Ala.; H. L. Wilson, New England Life, Minneapolis, Minn. J. Robert Winegardner, Northwestern Mutual, Los Angeles; Robert F. Wolf, Equitable Society, Pittsburgh; Alfred S. Wolfe, New York Life, Portland, Ore.; Everett C. Woodburne, Massachusetts Mutual, Grand Rapids; William R. Wright, Connecticut Mutual, Denver; Alfred Ziff, National Life of Vermont, Canton, O.; Harold Zlotnik, Montreal Life, Vancouver; Bernard Zoppel, New York Life, New York.

Inspect Clinic for Chicago Housing Project Built by New York Life

Mayor Daley of Chicago and other civic leaders made an official inspection this week of the latest addition to Lake Meadows community, a large housing project constructed by New York Life on Chicago's near south side. The addition that was inspected was the new facilities of Medical Associates of Chicago. These facilities are located on the first and second floors of one of Lake Meadows' 21-story apartment buildings. More than 1,000 families now living in Lake Meadows were invited to attend a preview of the new medical offices the day before the inspection. When completed, this planned community will provide apartments for 2,000 families on a 100-acre site. Medical Associates of Chicago, organized in 1949, comprises 10 physicians and three dentists engaged in group practice.

Chicago CLUs Elect Murphy as President

Robert J. Murphy, Prudential, was elected president of Chicago CLU chapter at the group's annual meeting this week, succeeding Earle S. Rappaport, Pacific Mutual Life, who presided. Other officers elected were Walter G. Wegner, New England Life, vice-president; Francis W. Morley Jr., Todd & Zischke Services, Inc., treasurer, and Odd Meyer Jr., secretary, Equitable Society.

Directors elected for two-year terms were Paul C. Green, Continental Assurance; Carl P. Spahn, Equitable Life of Iowa; John Morrison, Metropolitan Life, and Edgar D. Tripple, The Rockwood Co. Robert S. Bowles, Great-West Life, was elected director for another one year term.

Speaker for the election meeting was Lynn A. Stiles, economist for the Federal Reserve Bank of Chicago who discussed the "Economic Outlook for the Balance of 1957." Mr. Stiles pointed to the versatility of the many-faceted American economy, explaining that it was important to note that the economy continued strong despite 1956-57 drops in auto sales and home building. He said that perhaps this could be expected since the earlier farm problem didn't seem to hurt the economy too much either. "This shows the resiliency of our economy," he said.

That a healthy economy can prevail despite reduced residential building and automobile sales, indicates that there are other sources of strength that add to the buoyancy of current prosperity. Among these other sources of strength noted by Mr. Stiles were sharp increases in overseas demand—principally agricultural surpluses and fuel oil. Mr. Stiles said that consumer expenditure for non-durable products and services also is increasing. But even more important for taking up slack in the economy, according to Mr. Stiles, is the current high spending of government, including federal, state and local public spending projects, especially such things as increased highway construction in the various states.

Cover Only Cents-per-Hour Welfare Funds: NALU

(CONTINUED FROM PAGE 1)

out that the general purposes of all four are extremely laudable.

Mortimer M. Denker, vice-president of Johnson & Higgins, told the subcommittee it would be unwise at this time to enact legislation requiring registration, reporting and disclosure of level-of-benefit plans which he called definite employe benefit plans.

No meaningful evidence has been developed demonstrating abuses in definite benefit plans, he said. There is little opportunity for abuse under this type of plan that would deprive employes of benefits. Many employers may become less progressive in experimenting with new benefits because of the proposed regulations. There is no reason for imposing the additional administrative burden on the government and financial burden on the taxpayer.

United American Pays Dividend

United American Life of Denver has paid an eight-cent-a-share dividend to all stockholders of record March 4. This payment represents 8% of the par value of the stock and is an increase of 33% over the dividend paid in previous years.

United American's insurance in force now amounts to more than $63 million. Production for 1957 is up by more than 20%.

Definition of Non-Can Debated at Length

(CONTINUED FROM PAGE 4)

ber of the five-man subcommittee who held no opinion on the definition when the conferences started, and he explained how he wound up voting for a liberal definition. He said the problem is more of annual statements and reserves than nomenclature.

Life Insurance Assn.'s joint legislative committee dealt with this problem and favors calling adjustable premium non-can on about the same basis as the majority report of HIA, Bruce Shepherd of LIA reported. He stressed the tax angles involved.

• • •

Donald MacNaughton of Prudential said his company has only three classes under its guaranteed renewable adjustable premium policies, and these are age, sex and weight. The company cannot change the classes throughout the life of the policy nor can it raise the premium on account of impairment of insured or multiplicity of claims. Restrictive riders cannot be added. If rates are changed by classes, they would be changed on a basis of the original insuring age, he said.

He pointed out that it is possible for the premiums to be reduced as well as increased under this plan.

Non-can insurance has changed in many respects over the years, Mr. MacNaughton pointed out, but despite numerous modifications of the policy, it is still called non-can. The adjustable premium idea is simply one more modification, he declared, adding there is nothing in the business which has held that non-can must have a guaranteed premium.

Seconding these arguments were Daniel Lyons of Guardian Life, A. G. Straub of New York Life, John Henry of Continental Casualty, J. G. Kelly of Mutual Life of New York, Robert Rydman of North American Life & Casualty, Claude Gillespie of Occidental Life, James Hallet of Travelers, W. R. Shands of Life of Virginia, Milton Ellis of Metropolitan, Robert Shay of John Hancock, and H. G. Rose of the Oklahoma department.

• • •

A. J. Bohlinger, New York attorney and former superintendent, presented, as he had before the subcommittee, the main arguments of the traditional companies. The most important aspect of the problem, he said, concerns the public interest. He reiterated briefly the arguments he had made to convince the subcommittee of the advisability of adopting a strict definition. C. F. J. Harrington, executive vice-president of the National Assn. of Casualty & Surety Agents, said he hoped the commissioners would not be swayed by tax questions and internal problems of insurers, but stick to the issue of advertising and representation.

Commissioner Miller of West Virginia asked Mr. Bohlinger how he was able to tell in what way the public thinks of non-can, and Mr. Bohlinger said the information comes from the agency forces who are in constant touch with the matter.

• • •

Would it help to take a survey and determine what the public understands non-can to mean? Mr. Miller asked. Mr. Bohlinger said that it might help clarify the situation but it is not necessary. Mr. MacNaughton said that Prudential did a sort of a survey on this question and found that more than 50% of those interviewed had some understanding of guaranteed renewable but far less than 50% understood non-can.

John Miller of Monarch Life said any such survey should contain control items and in addition to guaranteed renewable and non-can, the people interviewed should be asked to give their definitions of non-participating, variable annuities, non-assessable, etc., so that the great extent of public confusion over insurance terms would be put in perspective.

Slate Medicolegal Congress at Chicago

The first American Congress of legal medicine and the law-science problems will be conducted by the Law-Science institute of University of Texas at the Hotel Morrison, Chicago, the weeks of July 8-13 and July 15-20. The congress is said to be for the benefit of all doctors and lawyers professionally concerned with the valuation, compromise negotiations or trial in respect to personal injury claims or medicolegal claims under life and A&S policies.

Two hundred and five medical specialists and trial lawyers will take part as lecturers. During the first week, July 8-13, there will be an intensive basic short course for persons who have not previously had law-science training. During the second week of the congress there will be a completely different advanced short course.

International Claim Assn. to Meet in Atlantic City

International Claim Assn. will hold its 48th annual meeting at the Chalfonte-Haddon Hall, Atlantic City, N.J., Sept. 9-11. The executive committee of the association met recently at the La Salle hotel, Chicago. George Lane, vice-president of Metropolitan Life, is chairman of the executive committee, which, along with members of various appointed committees, is making preparations for the annual meeting.

Chicago HO Underwriters to Hear Dr. P. C. Waldo

Dr. P. C. Waldo, Washington National, will address the July 11 meeting of Chicago Home Office Life Underwriters Assn. on medical problems of life underwriting. The group will meet at the Old Heidelberg restaurant.

Utah Decision Stirs Concern on Buy-Sell Agreement Provisions

A U. S. district court case in Utah has stirred up considerable concern among business-insurance experts, even leading some to believe that until such time as the point involved is clarified there should be no mention of life insurance in framing buy-sell agreements.

The case is Sanders vs Fox, 149 F. Supp. 942. It involved a close corporation owned by a family. The owners entered into an agreement under which the corporation took out life on the stockholders and was to buy out a decedent stockholder's interest in this way: The corporation, which owned the insurance and paid the premiums, gave each insured stockholder the right to designate his beneficiary; then at the death of a stockholder, the corporation was supposed to buy back the stock from the deceased stockholder's beneficiary. To this extent the setup was a fairly usual one.

Three members of the Sanders family owned 80% of all the stock in 1951. The court held in its decision that all the premiums so paid were constructive dividends to all the stockholders. The court didn't seem to be concerned with who the beneficiary was; it wanted to know only who was getting the benefits. Turning to the question of benefits, the court said the record disclosed several benefits, inuring equally to the stockholders and the corporation.

"A definite fund is created out of which the beneficiary will be paid promptly for stock," the court observed. "The pivotal point is whether for all practical purposes it might be said that the four stockholders were the corporation."

The court's conclusion was that these shareholders really benefited by the spending of the premium money, so they were taxable on the entire amount, even though not only they, but the corporation as well, benefited from the outlay.

According to Milton Young, New York tax lawyer, neither this case nor the recent Prunier case should give anybody cause for alarm in a typical situation where the insurance is corporate-owned and the corporation is the beneficiary. In all of the cases decided, one but not both of these factors was present.

Mr. Young also feels that trustee arrangements for corporate-owned life insurance in which proceeds are not payable directly to the corporations, may be vulnerable. However, he sees no objection to a statement in a buy-sell agreement to the effect that if the corporation owns life insurance on the life of a party to the agreement at the time of death the proceeds are to be used to fund the corporate obligation to purchase the deceded shares. What Mr. Young said he doesn't like is the type of agreement which identifies an existing policy and compels the corporation to apply its proceeds for the stated purpose.

R. M. Aycock Elected by San Antonio Life Managers

Roland M. Aycock, Southland Life, was elected president of San Antonio Life Managers Club at the club's annual outing and barbecue. Other new officers are Rex B. Cruse, Acacia Life, vice-president, and James E. Donnell, Life & Casualty, secretary-treasurer. New directors are: Jesse N. Fletcher, Great Southern Life; Harper H. Bass, Massachusetts Mutual Life, and Edward Thompson, Prudential.

Life Insurance Problems Aired by NAIC

(CONTINUED FROM PAGE 1)

the executive committee are Holz of New York, Smith of Pennsylvania, Thurman of Kentucky, Sheehan of Minnesota, Combs of Arkansas, and McConnell of California. Mr. Thurman is the only newcomer.

The NAIC zone organizations held brief and extremely brief meetings. The chairmen are: I, Humphreys of Massachusetts (reelected); II, Gold of North Carolina (reelected); III, Hayes of Louisiana succeeding Cravey of Georgia; IV, Jensen of North Dakota (reelected); V, Beery of Colorado succeeding Taft of Wyoming; VI, Sullivan of Washington (reelected).

Zone representatives elected to the federal liaison committee are Howell, I; Parker of Virginia, II; Leggett of Missouri; III; Gerber of Illinois; IV; Apodaca of New Mexico, V; There was no election from zone 6.

One item of business which attracted some interest was the decision of the executive committee to adopt the motion proposed by Taylor of Oregon to charge $5 per male registrant at future NAIC meetings "as a partial reimbursement of expenses of the NAIC incurred before and after meetings for the benefit of the insurance industry." The idea behind this is to make the meetings more self-supporting. The assistant secretary's office, since it was established, has refined the procedures at the meetings, and the expense of making these improvements will now be met, it is hoped, to a large extent from the additional registration fee.

W. Lee Shield, associate general counsel of American Life Convention, photographed at the NAIC meeting last week in Atlantic City, with Superintendent Arthur I. Vorys of Ohio, by Harry H. Fuller, midwest manager of National Bureau of Casualty Underwriters.

At the bottom, director Joseph Gerber of Illinois, with Commissioner Sam Beery of Colorado.

McConnell of California, reporting as chairman of the preservation of state regulation committee and the federal liaison committee, brought up to date the developments in relations with the FTC and other government agencies which have been causing static in the state communications. Mr. McConnell's report was the only one to draw any applause and that developed from an aside when he said forcefully that when the government goes into business on a subsidy basis and uses the word insurance to describe it, it is a misnomer and is deceiving. To call a subsidized operation insurance is casting aspersions on the reputation and integrity of the business, he declared.

Mortality Table X-17, around which quite a flurry has existed since it was introduced to NAIC six months ago at Miami Beach, was put back on the shelf for another half year by the decision of the life committee to postpone action for further consideration.

This decision was in accordance with the suggestion of American Life Convention and Life Insurance Assn., who through A. N. Guertin, actuary of ALC, "cleared the record" of all their previous statements and asked that there be a deferment.

The subcommittee on deficiency reserves in its report to the life committee reaffirmed its conviction that X-17 is "a proper and safe table." W. Harold Bittel of New Jersey, after presenting the report, remarked that the sooner the table is adopted the better. It was noted in the report that the only unresolved matter before the subcommittee for further consideration was the question of the mandatory effective date, and the conclusion was that there was no need for such a requirement at this time.

Among the reasons for asking for deferment of consideration of X-17, Mr. Guertin mentioned that American Life Convention at its annual meeting in October intends to devote a special discussion to the matter and let all opinions be heard. It is intended shortly thereafter to take a survey of company opinion and see if it is not possible to arrive at something resembling a uniform industry position.

William C. Brown, vice-president and actuary of Colonial Life, urged immediate adoption "in the best interests of the industry and especially the smaller companies." He said the smaller stock non-participating companies are suffering competitively because of the improvement in mortality and their inability to lower rates without running into the problem of having to put up deficiency reserves. He said, however, that adoption of X-17 can be justified on mortality experience alone without consideration of the competitive situation.

Three insurance commissioners prominent in the affairs of NAIC photographed at the annual meeting last week by Harry H. Fuller, midwest manager of National Bureau of Casualty Underwriters: C. Lawrence Leggett of Missouri, Arch E. Northington of Tennessee, and Frank Sullivan of Kansas.

He suggested that the table be adopted on a permissive basis, remarking that it is not in the public interest that insurers be required to use an obsolete table.

Holz of New York asked Mr. Brown if, since he considers the old table obsolete, why the new table should not be mandatory. Mr. Brown said the problem is confined to deficiency reserves and not mortality, but this did not satisfy Mr. Holz.

Charles West of Provident Mutual Life also urged immediate adoption of the table, although he noted that his company issues participating policies. He said it is an acceptable compromise and the argument that non-forfeiture values will be lower is not important because the difference dollar-wise from the CSO table is insignificant.

To the contention that the new table offers inadequate mortality margins and brings the possibility of a rate war, Mr. West said it is not mortality but premiums based on it that are in question. The premiums of the CSO table are now redundant, he said, and the deficiency reserve requirements are hurting the smaller and newer companies.

Mr. Holz reiterated to Mr. West his question on the permissive basis, Mr. West having expressed the desire that X-17 be used permissively. The question Mr. Holz had in mind was that if

(CONTINUED ON NEXT PAGE)

Alexander Query, whose promotion to head the Prudential regional office at Minneapolis was announced during the NAIC meeting, photographed at Atlantic City during the NAIC convention with Director Thomas Pansing of Nebraska, and Mr. Pansing's successor-to-be, John H. Binning.

Charles R. Howell, New Jersey commissioner and host to the NAIC meeting at Atlantic City last week, photographed at the convention by Harry H. Fuller of National Bureau of Casualty Underwriters, with Mrs. Larson and Commissioner J. Edwin Larson of Florida, the new secretary of NAIC.

(CONTINUED FROM PRECEEDING PAGE)
the CSO table is obsolete how can the commissioners continue to permit its use or to adopt a new table on a permissive basis only. Mr. West gave his personal opinion that the use of the table on a mandatory basis would be acceptable.

Opposition to adoption of X-17 also was entered by letter from Assn. of Arizona Insurance Companies, which noted that the period 1950-54, on which the table is based, was atypical and was marked by such items as exceptional national prosperity and weather conditions which favored life expectancy in certain groups, and from National Assn. of Life Companies, Inc., which offered identical reasons.

The report of the group life subcommittee recommending further study of a proposal to authorize writing group creditors' insurance on purchases of mutual fund shares was adopted routinely as was that of the variable annuities subcommittee which received and referred for further study the group annuity with special funding plan of John Hancock.

The commercial pension funds and trusteed welfare funds subcommittee, the meeting of which was reported last week, recommended appointment of an advisory committee drawn from producer organizations in connection with the development of a code of ethical practices for union welfare and pension funds, and scheduled a meeting for July 9 at New York at which industry and producer organizations can present their views.

Oren D. Pritchard, secretary of National Assn. of Life Underwriters, read a statement to the life committee calling attention to the competitive practices that have developed in the sale of the so-called family plan policies. He said these include twisting and "a seemingly concerted effort by one or more companies to proselyte the agents and—on at least one occasion—entire agencies representing their competitors.

All of the subcommittees of the accident and health committee had their reports accepted without comment with the exception of that on definition of non-can A&S. The report on the discussion of that subcommittee is contained elsewhere in this issue.

The subcommittee on house confinement provisions in A&S policies noted in its report that adoption of the regulations on this subject in New Jersey have caused one company to raise its premiums, eliminate minors under age 15, adopt a seven-day elimination period for females and issuance of a shorter period of time for confining illness in its policies. The subcommittee recommended that a new definition of house confinement be adopted as follows:

"The requirement for confinement indoors shall be interpreted to allow necessary visits to the physician's office or hospital for treatment, and by direction of the attending physician, periods of rest on the porch or in the yard of the house or building in which the insured is confined."

A subcommittee of the fraternal committee will be appointed to confer with the law committee of National Fraternal Congress on the question of whether fraternal benefits societies should amend their laws to authorize them to provide family death benefits for a member and his family in one certificate.

The report of the committee on instalment sales and loans was adopted without comment. The report said that at the executive session of the subcommittee at New York early in May it was decided that all commissioners shall be requested to assist in reporting nation-wide experience for companies in their states writing individual credit A&H and life insurance. Each state also would be asked to furnish data on the rate structure of credit life and credit A&H to the subcommittee so that it can be compiled and be used as the basis for recommendations to the parent committee at the December meeting. It is intended that NAIC draw up a model bill for regulation of credit life and credit A&H insurance.

The committee also commented on "packaging," remarking that including insurance coverages of a limited and restricted benefit in a package and credit transaction is inconsistent with the code of ethical standards of Health Insurance Assn. and effective procedures to provide for disclosure and prohibition of this should be instituted.

Pru Slates Series of Regional Sales Forums

About 150 members of Prudential's ordinary agencies in New England and upstate New York will attend a 3-day sales forum in the Equinox House in Manchester, Vt., beginning June 25.

This will be the first of six regional sales forums to be held by the ordinary agencies department for its managers and specially qualifying associate managers, assistant managers and agents. Similar 3-day sessions will be held in other cities in August and September for representatives in the central Atlantic, New Jersey, and greater New York regions.

The classes are conducted by the field training division to aid in the development of personal efficiency, organization and client building.

Western & Southern Increases Non-Med, Liberalizes Ratings

Western Southern Life is increasing its non-medical limits on both adult and juvenile contracts. The adult increase, ages 15 to 30, is from $10,650 to $15,000, applicable to both men and women regardless of marital status. For juveniles in the first year of life the increase is from $5,000 to $10,650, accompanied by a pediatrician's report. From ages one to four, the increase is also from $5,000 to $10,650. For ages five to 14, the increase is from $5,000 to $15,000.

The company has also reduced to standard rates over half the occupations that previously were rated. Other liberalizations in the new ratings is the reduction of the level extra charges in the economy series from $2.50 to $2 and from $3.75 to $3 per thousand annually.

In addition, the rate of interest allowed on regular ordinary premiums paid in advance has been increased from 2½% to 3%.

MDRT Insignia Violations Due to Not Studying Rules

(CONTINUED FROM PAGE 1)
use of the designation "member of the Million Dollar Round Table" unless preceded by the year of qualification or the word "life," as definitely required by the rules. Such a die obviously was not purchased from the chairman, as provided in rule 1, which specifically states that "no member is authorized or permitted to use any insignia, die, key, pin or plaque, other than those purchased through the chairman of the Round Table."

"Possibly some of the older members of the Round Table are using dies which were purchased before the present rules were adopted," Mr. Spahn observed. "We have been obliged to call this to the attention of some of our most respected older members. Another violation frequently noticed is the use together of a die and the designation of membership by the wording. This is specifically prohibited by rule 3(d).

"Many members who qualify for the Round Table one year order stationery properly imprinted with membership designation but continue to use the same stationery after March 15 of the succeeding year. Some members fail to qualify after the first year; others qualify as repeaters or as life members. For the repeater it is necessary to order new stationery each year until he becomes a life member—after which he may continue to use the designation, either by die or wording, as long as he pays his dues and is properly qualified by the chairman of the MDRT. This is specifically covered under rules 2(a) and 3(b). Rule 3(c) prohibits the use of the die on envelopes or on checks or in any form of advertising."

Besides Mr. Spahn the members of the insignia committee are William B. Hardy, New England Life, Cincinnati, and Roy D. Simon, Penn Mutual, Chicago.

Milwaukee GAs to Play Golf

Having concluded its season of regular monthly business meetings and educational programs, Milwaukee Life Managers and General Agents Assn. will hold its annual golf outing Friday, June 28, at the North Shore Country club near Milwaukee. A dinner at the clubhouse will conclude the day's activities which will be in charge of Frank McNamara, Old Line Life of Milwaukee.

Central Life of Iowa Introduces New Plans at Leaders Meeting

Central Life of Iowa at a meeting of 80 members of its leaders club in Gull Lake, Minn., announced a half dozen new policy developments including what it calls the "family installment group" plan. This plan allows for the paying of a certain fixed amount each month for life insurance regardless of the number of family members insured or the number of policies owned in the company. It is an extension of Central Life's annual premium installment plan, introduced in 1954, which provides for payment of annual premiums in 12 installments at a saving over the usual monthly premium rate.

Other new policy plans announced:

1. A preferred investment plan, an endowment policy which includes a premium refund feature.

2. A family plan rider providing insurance on the lives of policyholder's wife and children. Additional premium with the rider is the same, regardless of family size. The rider also provides for a five-for-one conversion privilege for the children at age 25, and a conversion privilege for the wife in the event of the husband's death.

3. A "wife insurance plan" rider for use in those situations where the family insurance plan is not applicable.

4. A new "disability income continuance" rider furnishing greater adaptibility to the policyholder's needs and pocketbook because the amount of income provided need not vary with face amount of the life insurance.

• • •

The company also announced reduction of its rate for accidental death benefit riders and the increase of the company's retention in nonmedical limit. A new occupational rating table providing lower ratings in many occupations also was introduced.

The meeting of the Leaders Club included a "room hopping" session in which the company's million dollar producers were hosts. These men, all members of the MDRT, and their 1956 volume figures are: E. C. Wöller, $3,-403,670, Milwaukee; C. F. Edwards, $1,302,271, Cedar Rapids, Ia.; F. A. Rowley, $1,138,925, Portage, Wis.; W. K. Wyatt, $1,064,410, Stillwater, Okla., and G. R. Matteson, $1,025,762, Denver.

Chicago Life Managers Elect Thoma President

Chicago Life Agency Managers Assn. elected Alfred C. Thoma, Metropolitan Life, president, at its annual meeting recently in La Salle hotel. Others elected were Jack Lawrence, Massachusetts Mutual Life, vice-president, and Frank G. Lotito, Lincoln National Life, secretary-treasurer. Newly elected directors are Maturin Bay, Prudential; Edson Chapman, Metropolitan, and Robert Swanson, New England Life.

Notes Drop in Tuberculosis Deaths

The death rate from tuberculosis has dropped to five or less per 100,000 for the total population in a fourth of the states, according to Dr. Louis I. Dublin, health and welfare consultant to Institute of Life Insurance.

Among white females, the death rate from tuberculosis has dropped under one per 100,000 from ages five to 25 and under three per 100,000 at all ages under 35. At all ages above that, the death rate for white females ranges from a fifth to two thirds of the white male rate.

The U. S. tuberculosis death rate has dropped from 194 to a little over eight in the last 50 years, representing a saving of 300,000 lives annually.

APPEARING 55,877,170 TIMES

. . . to help wrap up record sales of New York Life's newest product!

Hard-working Advertisements

like this one will be seen by millions in *Life, Saturday Evening Post, Look, Better Homes & Gardens, Sunday Magazine Sections* and daily newspapers. They'll help stimulate even greater demand for New York Life products.

Announcing New York Life's pace-setting

FAMILY INSURANCE PLAN

Covers you, your wife, your children—all in just one policy with a low monthly premium

Modern as the minute, this new insurance offers "family plan" convenience and economy. Taken out on your own life, the same single policy insures your wife and children as well—even covers children born later. If your family qualifies, here's the protection *each unit* of New York Life's Family Insurance provides.

FOR YOU—$5000 of permanent insurance which builds generous cash and retirement values.

FOR YOUR WIFE—$1250 of term insurance if she's your age—more if she's younger, less if older. Her insurance expires at your age 65* and can then be converted to permanent insurance. If your wife dies before you, her insurance becomes payable and, in addition, you receive $1250 of term coverage to age 65.

FOR YOUR CHILDREN—$1000 of term insurance on each insured child which expires at his age 22 or at your age 65—whichever is earlier. At its expiration, the term insurance on each child can be converted to as much as $5000 of permanent insurance.

OTHER SPECIAL FEATURES: Newly arrived babies from the age of 15 days to 6 months are covered for $500—and, after 6 months, for $1000—at no increase in premium. Automatic waiver of premium on you and double indemnity on both you and your wife are also included. What's more, if you die, the term insurance on your wife and children becomes *fully paid up!*

So why not make both present and future more secure for your entire family this easy, economical way? Ask your New York Life agent how you can insure yourself, your wife and your children all under this one new low premium plan—Family Insurance. Or write to New York Life's Home Office at the address listed here.

HERE'S THE LOW MONTHLY PREMIUM FOR EACH UNIT OF FAMILY INSURANCE

Father's age at issue	Premium for each unit	Premium for each unit if under Check-O-Matic®†
25	$10.70	$10.30
30	12.17	11.72
35	14.08	13.56

Dividends can be used to reduce premium payments. Plan available throughout the United States and Canada (except in Massachusetts).

*All expiration dates occur on policy anniversary nearest age shown.

†Check-O-Matic® is New York Life's special monthly premium payment plan.

New York Life Insurance nylic Company

51 Madison Ave., N. Y. 10, N. Y.
(In Canada: 320 Bay Street, Toronto, Ontario)

Life Insurance • Group Insurance
Accident & Sickness Insurance
Employee Pension Plans

THE NEW YORK LIFE AGENT IN YOUR COMMUNITY IS A GOOD MAN TO KNOW

THE NEW YORK LIFE AGENT IN YOUR COMMUNITY IS A GOOD MAN TO ~~KNOW~~ BE

New York Life Insurance Company

A MUTUAL COMPANY nylic FOUNDED IN 1845

Life Insurance • Group Insurance • Accident & Sickness Insurance • Employee Pension Plans